



sport, arts & culture

Department:
Sport, Arts and Culture
REPUBLIC OF SOUTH AFRICA

Inspiring a Nation of Winners

THE SOUTH AFRICAN



**STATE
THEATRE**

"A Theatre of Africa"

State Theatre - An Agency of the Department of Sport, Arts and Culture

ANNUAL REPORT

2024 | 2025





PRODUCTION HIGHLIGHTS





NALEDI THEATRE AWARDS WINNERS





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PART A: GENERAL INFORMATION



1. PUBLIC ENTITY’S GENERAL INFORMATION

PUBLIC ENTITY:	THE SOUTH AFRICAN STATE THEATRE
PHYSICAL ADDRESS:	320 PRETORIUS STREET PRETORIA CENTRAL PRETORIA 0002
TELEPHONE NUMBER:	+27 12 392 4000
EMAIL ADDRESS:	ADMIN@STATETHEATRE.CO.ZA
WEBSITE ADDRESS:	WWW.STATETHEATRE.CO.ZA
EXTERNAL AUDITORS:	AUDITOR-GENERAL SOUTH AFRICA
BANKERS:	ABSA BANK LIMITED
COMPANY SECRETARY:	WILLIAM RADCLIFFE (PTY) LTD (Annelien de Kock Company Secretariat Consultant)



2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA / AG	Auditor-General of South Africa
APP	Annual Performance Plan
APR	Annual Performance Report
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Cultural Institutions Act (Act 119 of 1998, as amended in 2001)
COUNCIL	The South African State Theatre Council (Board)
DSAC	The Department of Sport, Arts and Culture
DPSA	The Department of Public Service and Administration
EXCO	Executive Committee
GBV	Gender-based Violence
FINCOM	Finance Committee
HRRC	Human Resources and Remuneration Committee
ICT	Information and Communication Technology
ICTSC	ICT Strategic Committee
IDC	Institutional Development Committee
MANCO	Management Committee
MTEF	Medium Term Expenditure Framework
NT	National Treasury
OPEX	Operational Expenditure
PFMA	Public Finance Management Act (Act 1 of 1999, as amended)
REMSEC	Remuneration, Social, and Ethics Committee
RoI	Return on Investment
SAST	The South African State Theatre
SCM	Supply Chain Management
SEC	Social and Ethics Committee
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations



3. FOREWORD BY THE DEPUTY CHAIRPERSON



Ms Pamela Ndlovu

Deputy Chairperson of Council

The Council of the South African State Theatre (SAST) has the pleasure to present the Annual Report for the 2024/25 financial year. It serves as an instrument of accountability to the shareholder and the people of South Africa. It has been prepared by management and approved by Council, in accordance with the Cultural Institutions Act (Act 119 of 1998, as amended in

2001) and the Public Finance Management Act (Act 1 of 1999).

This report outlines the governance and operational activities of the SAST during the eight months of the final year of the previous council and the four months of the current council, which was appointed on 09 December 2024. We express our gratitude to the previous council for compiling a comprehensive Handover Report, which made our task of providing strategic direction easier. That report outlined the key strategic priorities, challenges and achievements since the beginning of their term in December 2020, including the various investigations that were conducted.

The 2024/25 fiscal year was characterised by determination, hope, optimism, characterised by team spirit that transcended difficulties and take the SAST to higher level of excellence. As the new council, we are proud of and humbled by the positive achievements that have been recorded despite challenges and unforeseen circumstances. Through the Handover Report, we were informed about the robust engagements with a myriad of stakeholders which presented the entity with opportunities to reflect on its shortcomings and strengthen controls to maintain sound financial management and operational efficiency.

During our induction meeting in February 2025 council reaffirmed its strategic focus on the theatre's Pan-African outlook, brand positioning, generating revenue, marketing, stakeholder



engagement, enhancement of infrastructure, prioritisation of ICT governance, legislative compliance, and human resource capacity to deliver on the entity's mandate.

Council is committed to improving organisational performance and excellence in operational efficiency, and the maintenance of a healthy balance between artistic creativity and fiscal stability. Plans are in place to prepare the SAST for new leadership and strategic direction as the current CEO, Dr Sibongiseni Mkhize, will be leaving at the end of his term on 31 October 2025, after 10 years of service.

Despite the inherent difficulty of the operating climate and hostile trading conditions, the institution has managed to triumph in respect of its core business by being more focussed, reflective, innovative, and creative. The challenges caused by fiscal constraints and cost containment, have compelled the SAST to review its operating model and scale down its operations from the third quarter of the 2024/25 financial year. This had a negative impact on the achievement of some of the targets as outlined in Annual Performance Plan (APP), particularly those relating to presentation of productions, audience attendance, job creation and revenue generation.

Council is delighted that the SAST received another clean audit opinion from the Auditor-General of South Africa (AGSA) in respect of the 2024/25 fiscal year audit. Management has

already put in place an Action Plan to address areas of concern and recommendations that were outlined in the auditors' Management Report and the Audit Report. The aim is to ensure that the SAST sustains positive audit outcomes in the coming financial years.

Council continues to strengthen the pillars of good corporate governance by reviewing the number, composition and mandates of committees, reviewing organisational policies, ensuring implementation of sound internal controls and risk management, monitoring, evaluation and enhancing legislative compliance. The re-configuration of council committees resulted in the merger of some of the committees, effectively reducing the number of committees from six to four.

The SAST had an overall achievement of 90% of its predetermined objectives, as set out in the SAST's 2024/25 APP. This is an indicator of consistency and stability, and it attests to the fact that the organisation is on an upward trajectory. Council is proud of the artistic work of the SAST, and the achievements made in cementing its role as a premier theatre for both drama and large-scale musical productions. The artistic programme continued to stimulate debate on pertinent socio-economic and political issues, secure long-term sustainability for the arts, contributed to economic growth, and created jobs. The launch of the groundbreaking SAST-TV was testament to this exceptional creativity and innovation and



represents a game changer for the organisation and the arts and culture sector.

We are pleased that the SAST consistently pushed the envelope by presenting dynamic and agile live and digital artistic projects that reaffirm its identity as “a premier Pan-African theatre of choice for a distinctly inclusive, transformative, and innovative entertainment experience”, with growing national and international reputation.

The SAST’s financial performance is outlined in the audited Annual Financial Statements, which form part of this Annual Report. The Council and management remain committed to fiscal stability by implementing cost containment measures. The review of the business model resulted in the identification of new business development opportunities, which include the formation of business partnerships, enhancement of the facilities, redefinition of the quality of tenancy, the in-sourcing of security and cleaning services, and the decision to run our own restaurant.

The SAST continues to engage with DSAC, the National Treasury and other stakeholders regarding the enhancement of capacity to generate own revenue as one of the key deliverables.

On behalf of the SAST, Council extends its sincere gratitude and acknowledgement of the foresight, insight and collective critical reflections driven by the Executive Authority, Honourable Minister of Sport, Arts and Culture, Mr Gayton McKenzie, the Deputy Minister, Honourable Ms Peace Mabe, Acting Director General, Dr Cynthia Khumalo and her team. The continued support from and mutual engagement with the team at the department is greatly appreciated.

We would also like to recognise and express appreciation for the profound and invaluable contribution made by all staff of the SAST. Staff consistently demonstrate strong work ethic, passion, resilience, civility, and professionalism.

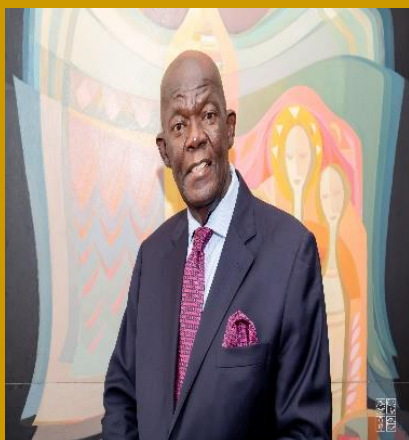
The SAST Council looks ahead to renewed vigour and a resolve to achieve operational efficiency, good corporate governance, and accountability.



Ms Pamela Ndlovu
Deputy Chairperson of Council
The South African State Theatre
31 August 2025



SAST COUNCIL (09 December 2024 – 08 December 2027)



MR PHIL MOLEFE (CHAIRPERSON,
RESIGNED 26 AUGUST 2025)



MS PAMELA NDLOVU
(DEPUTY CHAIRPERSON)



MS NDILEKA MANANA



MR EDWARD PHIRI



MS KHWEZI KUNENE



ADV CHARLIE NAIDOO



MS LEBOGANG MATLALA



MR ZAK GORDON



COUNCIL (09 December 2023 – 08 December 2024)



PROF FIKILE N.M. MAZIBUKO
(CHAIRPERSON)



DR MATSHEDISO JOYNDLOVU
(DEPUTY CHAIRPERSON)



ADVOCATE KHAYELIHLE THANGO



DR LEBOGANG LANCE NAWA



MR GLENN UJEBE RAMOTILE ERIC MASOKOANE



MR SUREN MAHARAJ



MR MOAKOHI MAKGOLO ANSLEY MAKGOLO



MS JUSTINA GOVENDER



MS NDILEKA LERATO MANANA



4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Dr Sibongiseni M. Mkhize
Chief Executive Officer

Introduction

It is an honour and a privilege to write my tenth and last Annual Report overview as the Chief Executive Officer (CEO) of the South African State Theatre (SAST), the largest theatre complex on the African continent. The final year of my second term has been both challenging and eventful. Despite a multitude of challenges, many of whom threatened to derail the progress of implementing the mission and vision of the SAST, I am grateful for the support of my council, colleagues, stakeholders and all the partners of the SAST for their support and encouragement.

This report is based on the 2024/25 Annual Performance Plan (APP), a document that is aligned to the government's strategic imperatives. From the second quarter of the financial year, we began to take into consideration the priorities of the Seventh Administration, which are: Inclusive Growth and Job Creation; Reduce Poverty and tackle the high cost of living; and Foster a capable, ethical and developmental state.

I look back at the past ten years with pride, gratitude and humility, and the lessons learnt have clarified my vision for the future as part of a dedicated leadership collective that has guided the SAST to a future full of hope, optimism, and an abundance of possibilities.

The combined efforts of management and staff profoundly demonstrated the power of positivity and the resilience of the human spirit in the face of adversity. It has been a long, turbulent journey, but mostly punctuated by moments of pride and celebration. Overall, it has been an intellectually enriching and rewarding artistic and professional endeavour. The year 2024/25 was an important milestone in the history of the theatre as it marked 23 years since its reopening as an inclusive and transformative space for artistic expression and innovation. There was no better way to celebrate the journey of more than two decades by launching SAST-TV, which is a game-changer and a disruptor in the theatre sector.



The SAST TV promises to be a masterpiece in creativity and innovation, a project that has taken more than a decade to reach this level. It is testament to the spirit of resilience and dynamism, which has characterised the SAST during times of difficulty. The TV project is massive, a true game-changer and is part of the theatre's determination to change the arts and culture landscape. The launch symbolises the embodiment of the famous theatre slogan: "The show goes on" and marked the culmination of years of repositioning and reimagining the South African State Theatre and its plan within the continental and global spheres of the performing arts.

Management's hard work and determination to turn around the audit outcomes has yielded positive results. I am delighted that the SAST obtained a third consecutive clean audit opinion from the Auditor General of South Africa (AGSA).

Delivery of Mandate and Financial Performance

The SAST Council and executive management ensured that there was a constant review of its artistic programmes, investment in people and change in organisational culture, strengthening capacity to raise partnerships and attract sponsors, and enhancing the ability to generate own revenue.

In addition, special attention was given to improving programmatic and institutional visibility, diversification of artistic offerings,

infrastructure refurbishment, development of human capital, positioning of the SAST as a premier digital content creator and distributor and the use its artistic programme and the Transformation Project to promote its identity as a proudly Pan-African theatre. The SAST continued the review of the quality of spending, strengthen internal controls in financial management and safeguarding of assets, achievement of a healthy balance between artistic creativity and financial stability.

The artistic achievements as outlined in the Artistic Director's Report, occurred within a context of resource constraints. During the financial year under review the SAST's Pan-African theatre vision and identity was expressed through the artistic programme and the initiation of the building blocks of the Transformation Project that has seen the rejuvenation of the SAST, particularly changes in its interior design, renaming of spaces and the alignment of the theatre with the transformative and inclusive outlook of the organisation's identity.

During the 2024/2025 financial year, the SAST received an operational grant of R76 939 000 from DSAC, R28 446 from CATHSSETA and R1 500 000 from DSAC for the Incubator programme and capital expenditure grant totalling R20 560 571, self-generated revenue of R27 292 990 and no sponsorship revenue. Revenue increased by 19.20%. Expenditure increased by 13.97%. The



net inflationary adjustment after in year budget reductions amounted to 19.35%.

The number of in-house productions staged during the year totalled 62 against a target of 62. Live and online performances were staged for these productions, attracting an audience of 134,062 (against a target of 70,000). Ticket sales and theatre rental income generated a revenue of R8,183,243, which was R94,815 more than the target of R8,088,428. The SAST created 625 short term job opportunities against a target of 483. Rental of offices and other spaces generated R4,168,556 against a target of R3,744,397. Parking garage rentals generated R9,339,206 against a target of R4,725 000 and Front of House revenue was R5,033,458 against a target of R2,138,560.

Planning, Performance Reporting and Risk Management

During the 2024/25 financial year the SAST Council and management paid particular attention on the matters raised by the Auditor-General. The SAST continued with the challenging task of trying to maintain a healthy balance between fiscal stability and artistic creativity. This proved to be extremely difficult during the financial year under review, leading to some strategic interventions being made around the artistic programme and other revenue generating units of the organisation.

Risk Management is a standing item at management at Committee and Council meetings.

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

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

Human Resources

The SAST continued in its efforts of achieving the alignment of the strategic plan with the structure, the budget, and the new Business Model (Business Improvement Strategy). The HRRC (later renamed Remuneration, Social and Ethics Committee - REMSEC) identified the urgent need to strengthen human capital development by addressing key priority areas such as the high vacancy rate, performance management, high staff turnover, remuneration, job grading, training and development, and succession planning.

The progress on addressing some of these matters was hampered by the government's Cost



Containment Measures, the decline in revenue generation, and the moratorium on filling of positions, which was announced by DSAC in September 2023. The amalgamation was only cancelled six months into the financial year, in September 2024.

Infrastructure Management

Infrastructure delivery is one of the key strategic pillars of the SAST. It is therefore important that there is a direct correlation between the SAST's organisational performance and the implementation of capital works projects. The SAST was able to complete some of the key repairs and maintenance projects at the main theatre building and Kilnerton.

In addition to the maintenance projects, the SAST began to implement two capital works projects towards the end of the financial year, which are: Roof waterproofing and the Basement Structural Repairs at the main building in 320 Pretorius Street. These projects were completed during the second quarter of the 2024/25 financial year.

Depending on the availability of funds, the other projects that will be implemented within the next year are: installation of the fire detection system, the stage machinery (stage lifts in the Opera and Drama theatres), the parking system, replacement of stage facilities, modernisation of dressing rooms and rehearsal studios, and the installation of new surveillance cameras. The above-mentioned projects are not only important for

health and safety but also play a crucial role in supporting revenue generation and enhancing audience (patron) experience.

Partnerships, Ethics and Social Responsibility

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

The SAST takes ethics and ethical conduct seriously, hence the prioritisation of Council's imperatives to foster an ethical culture and align the entity's activities with the DSAC and the National Development Plan's Outcome 14 as it relates to the development of a capable, caring, and ethical state. It is also imperative for the theatre to be ethical when it conducts business with the arts community. The SAST has endeavoured to align its operations with the national imperatives, particularly those that relate to the need for entities to prioritise social inclusion, social cohesion, and prioritisation of people living with disabilities.

New/Proposed Activities

As mentioned in the introduction, the SAST will see a change in executive leadership in the third quarter of the 2025/26 financial year when the CEO leaves after 10 years of service. At the time of writing this report, no major changes to the theatre operations or the sector had been announced by the minister. However, the current fiscal challenges and the developments in the



geopolitical space are likely to result in far-reaching changes in respect of arts and culture funding, including the funding for infrastructure projects.

Reflections on the past 10 years

In writing my last organisational performance report, I had an opportunity to reflect on the journey that I have travelled with the SAST since joining the organisation on 01 November 2015. It has been a journey characterised by challenges and rewards. I came here knowing very well that it would be challenging. I had a choice between the SAST and another DSAC entity but I opted for the SAST. I do not regret my decision, despite many of the dark moments that threatened my career and my life. I persevered and kept my focus because I knew that I had the support of an incredible team of hardworking colleagues. We had a relationship of trust and the unbreakable spirit of unity and solidarity. We all believed that the human spirit has the capacity to triumph in the face of adversity. We were tested many times and driven to the point of despair but kept on pushing as we placed the interests of the SAST above those of our own. As I drew closer to the end of my term, the challenges grew in intensity. I have found myself being subjected to a barrage of profanities that continue to be spewed against me and some of my colleagues in senior management. These have been going on since 2023, and represent the most toxic, direct, orchestrated and sustained assault on my dignity and integrity.

While the SAST had witnessed major setbacks such as the theft and fraud which was uncovered in 2019, the negative audit outcomes in 2016, 2017, 2021 and 2022, I look still back at the past 10 years with pride. There are plenty of positives to accentuate, appreciated and celebrate. I have witnessed the organisation rise against all odds and achieve what was unimaginable. The year 2023 was a watershed in the history of the theatre as it witnessed a phenomenal achievement and a remarkable turnaround not only in the institution's financial management but also in the organisational culture as the SAST received its first Clean Audit Opinion from the Auditor General since the advent of democracy and the introduction of the Public Finance Management Act.

Our belief in ourselves, perseverance and hard work had finally paid off. The organisation has become a leader in artistic excellence and innovation. Our focus on hard work and uncompromising commitment to excellence has resulted in the SAST being recognised as an unparalleled leader in the presentation of high-quality artistic works on behalf of the country at international festivals and at the 2024 Presidential Inauguration. During this period the SAST has carved its niche as a leader in writing and production new South African musicals. The number of Naledi Theatre Awards attest to this transformation and growing institutional recognition.



I am proud of the fact that while focusing on the complex task of arts administration and good corporate governance, this has been a period of personal growth and recognition by the academia and the arts, culture and heritage sector. In 2019 I was invited to join the Advisory Board of the Faculty of Arts and Design at the Tshwane University of Technology. In the same year, I was invited to deliver the prestigious Alan Paton Lecture at the Pietermaritzburg campus of the University of KwaZulu-Natal.

This was followed in the same year by the publication of my first book on a Political Biography of Selby Msimang, which won an award at the Humanities and Social Sciences Awards in March 2020. In 2023 I was invited to chair the adjudication panel of the non-fiction category of the HSS Awards. In 2024 I was invited to be a member of the panel of historical and linguistic experts who wrote the inscription for the King Shaka ka Senzangakhona statue, which is at the King Shaka International Airport in Durban. In May 2025 I was invited to deliver the keynote address at the graduation ceremony of the Faculty of Humanities and Social Sciences, University of Zululand.

The most recent and prestigious accolade has been the recognition by the Naledi Theatre Awards Committee in the form of a Lifetime Achievement Award, which was conferred on me on 16 June 2025. This was in recognition of my outstanding contribution to arts administration

and to the growth and advancement of the arts and culture sector. Parallel to the awards and overt recognitions mentioned above has been the constant requests from publishers for me to review their book manuscripts, journal articles as well as being invited to present papers at academic seminars, workshops and conferences.

I would like to take this opportunity to express my heartfelt gratitude to all my current and former colleagues at the SAST for their support, dedication and unwavering loyalty to the SAST.

I am indebted to the members of the different SAST councils, from 2015 to 2025, for their leadership, guidance, support and constructive criticism. This ecosystem of support and constant encouragement has enabled me to leave a legacy of good corporate governance, integrity, accountability, creativity, innovation and artistic excellence.

Acknowledgements

A special word of gratitude goes to the personnel of the SAST for their dedication to the institution. While acknowledging that there has been some challenges and setbacks which threatened organisational harmony, it would be proper to acknowledge the achievements made through the dedication of the SAST staff.

I wish to acknowledge the members of the current and former councils for the role they played in supporting executive management and



providing leadership to set this organisation on an upward trajectory and leadership stability.

Dr Sibongiseni Mthokozisi Mkhize

Chief Executive Officer

The South African State Theatre

Date: 31 August 2025



SAST Council and Management, February 2025



SAST EXECUTIVE



DR SIBONGISENI MTHOKOZISI MKHIZE
CHIEF EXECUTIVE OFFICER



MR AUBREY SEKHABI
ARTISTIC DIRECTOR



MS SANTA VILJOEN
CHIEF FINANCIAL OFFICER



SAST SENIOR MANAGEMENT



SHIRAZ AHMED
PERFORMANCE, RISK & COMPLIANCE MANAGER



MILLCENT MOPAYI
HR MANAGER



ERNEST TCHWENYANE
PRODUCTION MANAGER



THABISO MNGUNI
SENIOR PRODUCER



LEBOGANG MPHAHLELE
FINANCE MANAGER



MDUDUZI NHLAPO
ASSOCIATE ARTISTIC DIRECTOR



NOMVULA MOLOKO
ARTISTIC OFFICE MANAGER



KLAAS SEBOTHOMA
(ACTING) MAINTENANCE MANAGER



BUSISIWE MASILELA
(TEMP) SCM MANAGER



SAST MANAGEMENT



DIAMOND MOKOAPE
EYCT MANAGER



ELLEN MASHIANE
PARKING MANAGER



EUGENE HOYI
SALES MANAGER



KLAAS SEBOTHOMA
FRONT OF HOUSE MANAGER



5. ARTISTIC DIRECTOR'S OVERVIEW



Mr Aubrey Sekhabi

Artistic Director

The Year that changed the game for theatre, and for me, personally! This is my reflection on 2024/25 – the year that caused me to pause and celebrate a moment of a long-held dream that came to fruition! Theatre on TV. Theatre in the palm of your hand! SAST TV!

We stepped into the artistic year 2024/25 with an already tightened belt due to the fiscal outlook of the country – necessitating reallocation of resources to maintain the delicate balance between fiscal stability and artistic creativity. The reconfiguration of adjusting some aspects of the Artistic Programme, as well as absorbing some of the outsourced services; placed us in a better position fiscally and artistically, to navigate the artistic year.

The reduced programming opened up opportunities to sweat the asset of theatre space and host some of the most prestigious

events in the country, including hosting the National Film and TV Awards. Our Pan-African endeavours as well as global collaborations, resulted in us presenting notable productions such as Dear Kaffy – Diary of a Single Lady in Lagos, Obeah Opera and Divine Intervention from Canada, Song Unburied from Zimbabwe – indeed, we have criss-crossed the continents, through receiving these productions. On the local front, we partnered with our fellow performing arts institutions to stage various productions, thus extending the seasons that our artists remain gainfully employed and our various joint audiences experience theatre shows from other provinces, resulting in an engaged audience with a diversified thespian palate. Understanding the national state of contracting disposable income, we also clinched a partnership with Black Labone, an outdoor event that happens every Thursday presenting music, poetry, fashion, literature and arts and craft. These partnerships ensured that the theatre doors remain open. I am delighted that even with our programme cut in half, we managed to present 62 productions, creating 625 short-term opportunities.

The reality of our situation is that our revenue systems are intertwined - if we generate more audiences into the theatre complex, we can fully support our Parking Garage and our Front of House activities. 2024/25 also became our year of agility - we rallied together as an organisation, embraced change, reviewed our business model,



focussed on infrastructure and human resource development, with the resultant wow factor of improved facilities: revamped dressing rooms, the refurbished fountain - a special feature for the theatre complex and established our in-house restaurant. These activities were implemented to support the art on stage and to create a wholesome experience for our patrons.

Our receiving model is improving – with consistent productions that return year in and year out., such as the Tshwane Youth Arts Festival, The Dean’s Concert from TUT, Hoerskool Waterkloof and Absolute Dance.

The diversity of our audiences also expects from us, staging productions with differently-abled communities to show that no one is left out and behind. Special mention goes to Lifted-Let the blind sing. Zakhele Mabena wrote and directed the play working with eight blind men and people living with disabilities. The production received industry recognition and received eight Naledi Theatre Awards nominations.

Industry Recognition

Our display case also got some awards as our productions got a nod from the Naledi Theatre Awards – a great feat for the hardwork that the creatives put into their craft. Other productions that were nominated included Sophiatown with eleven nominations, Vusi Africa’s Letters of Hope received eight nominations, Lulu Mlangeni’s Kganya had two nominations, Imxinwa written

and Directed by Zusakhe Ngqame also got two nominations. In total, SAST received 35 nominations signifying the quality of the work that SAST produced. SAST went on to win Best Director for Sophiatown (Aubrey Sekhabi), Best Production: Dance, Physical Theatre and Ballet for Kganya and Best Supporting Performance in a Play: Zaza Cala in Imxinwa.

Notable productions that we also had the privilege to host in this year past, included the Pula Festival by Dr Sello Galane. We also honoured the Spirit of Malombo with a Celebration with Abbey Cindi’s Jazz Makers, as well as Sjava and Thandiswa Mazwai.

Communications and Audience Development

Communications

We established and launched the SAST newsletter titled; Front Row Insiders in March. This is distributed to many groups including arts enthusiasts, patrons, theatre producers, film makers, community groups, and diplomats who will now be consistently and constantly be informed about developments in our organization.

Influencer Marketing Program

The Influencer program, intended to facilitate collaboration with influencers to communicate with patrons and potential SAST followers about the SAST offering which includes live theatre, SAST TV, theatre and office rentals, dining, parking, and the newly established residence for



artists. The programme is run monthly until March 2026.

Audience Development

The SAST has engaged directors, choreographers, arts administrators, singers, actors, dancers, composers, authors and gathered them in one room in order to pave a way forward for developing and generating audiences for the SAST. This initiative is created to grow into mass mobilisation of audiences to the SAST. Two meetings have been held already and we can only take it a step at the time. The future lies in the hands of the young people, SAST is only paving the way.

SAST TV

In November 2024, we launched SAST TV - the groundbreaking innovation in the performing arts industry in the African Continent and most probably in the world. The platform is up and running and can be accessed via android on your mobile devices and can also be mirrored on each television smart screen. The conversations with IOS are ongoing. The initiative on its own is a massive achievement for the SAST and the performing arts in South Africa and the African continent. Ever since SAST TV went live, we have not applied any marketing resources to spread its existence. This was due to 2024/25 budgets adjustment and cost containment. As we march towards the 2025/26 financial year, we are confident that we will cover ground from a marketing, communications and sales

perspective. We are also aware that we will see tangible growth in year 3 and as a result, we are patient with our development whilst at the same time engaging various entities, companies and industries as partners and collaborators. For SAST TV it is only a matter of time, but we know indeed that it is the future.

Artistic Programme

Our approach, necessitated by compliance imperatives, was to send call outs for our various programmes. We went on to appoint dramaturges at Master's Degree and PhD level as our evaluators. There has been major progress made preparing us for a successful 2025/26/27, commencing in July 2025. In the meantime, we are running the first quarter by profiling existing projects, set work programme and projects that fell off in the previous year due to budget adjustment and cost containment.

Sales & Marketing

As we continue to reconfigure, reimagine and reposition the marketing and sales of the organization, we are exploring the best way forward. A new marketing strategy was adopted in April 2025, with the marketing activities that have already begun, which have shown results. Our audience reach and interaction on Instagram, Facebook, X and Tik Tok is growing rapidly and this will bring more awareness about the SAST and its offerings and profile the SAST as the best place to be. Further into the new year, some of the interventions include ticket prices increments,



the number of evening performances, marketing spent and customer retention.

Tickets Sales Revenue

The outcome of the ongoing discussion with the Department of Basic Education (DBE) and Gauteng Department of Education (GDE) will go a long way in securing audiences for the theatre and at the same time propel SAST to fulfil its mandate of audience development and contribute towards arts education.

We have also identified two sections where we can save financial resources using internal capabilities – which were identified to have the expertise to design our sets and costume and set construction done internally, thus freeing financial resources towards reinvesting in productions.

Restaurant Revenue

The new business plan speaks to hosting more events, improving productions sales, investing in proper equipment so that we become a premium facility for entertainment, leisure and dining, provide a facility for pre-bookings meals before or after performances, offering catering services to local and provincial government, and reaching out to the diplomatic corps for events.

Rental Rates for Commercial Spaces in Weavind Park

Commercial rates for spaces at SAST's investment property in the Weavind Park area have also been reviewed and were found to be comparable to

competing properties. We have now finished renovating an accommodation facility for visiting artists and family patrons. Through this facility we can reduce our costs for accommodation and with those savings we can host any cast of more than 20 people without incurring exorbitant hotel fees. This will make the receiving of touring work easy, and we can bring which ever work from anywhere in the world. The property became an accommodation space for our guests from Nigeria, Lagos when we had Dear Kaffy running in February/March 2025, resulting in savings from hotel fees.

Rental Rates for Commercial Spaces in 320 Pretorius Street

The rental rate set for 2024/25 was maintained, in order to allow for both refurbishment and attract new tenants.

Agreement with Department of Basic Education

SAST has made great strides with the DBE towards concluding a new Memorandum of Understanding (MoU) with the GDE, for SAST to support the GDE's implementation of the National Curriculum Statement through the Creative Arts and expand its reach to all GDE Schools. This MoU provides SAST with an opportunity to significantly increase its Ticket Sales Revenue, securing audiences for the theatre and at the same time enable SAST to fulfil its mandate of audience development and contribution towards arts education.

The full list of productions presented during the year is provided as follows.



5.1. 2024/25 Productions

Number of In-house Productions staged.

SPA1

QUARTER

Quarter One	6
Quarter Two	14
Quarter Three	37
Quarter Four	5
TOTAL 2024/25	62

Quarter One

Production	Date
Adam Zanolini's & the Heliacal Rising of Sothis Celebrating the legacy of Kelan Philip Cohran	11-May-24
Love is like playing a Piano	01-Jun-24
The Classroom	08-Apr-24
The Soil - Reimagined Tour - Pretoria	26-Apr-24
VOLLEY NCHABELENG PRESENTS AFRICA FOR PEACE CONCERT	24-May-24
Yes I can (The journey of Thabitha)	22-Apr-24

Quarter Two

Production	Date
Beauty and the Beast	18-Sep-24
Born Free - Youth Expression Festival	03-Jul-24
Dean's Concert	04-Sep-24
Divine Intervention (Vavasati)	23-Aug-24
Journey to the South (Incubator)	03-Sep-24
Ka Lebitso La Moya	10-Jul-24
Medleko Meropa ya Afrika	27-Sep-24
Obeah Opera - Vavasati Festival	23-Aug-24
Rudolph Mamabolo Live Concert	02-Aug-24
Song Unburied	18-Sep-24
Spirit of Malombo - Celebration with Abbey-Cindi's Jazz Makers	20-Sep-24
Thaba Bosiu - The Musical	25-Jul-24
The Playroom - Youth Expression Festival	02-Sep-24
Yes I can (The journey of Thabitha)	18-Sep-24

Quarter Three

Production	Date
A Street Taxi Named Desiree (Incubator)	07-Nov-24
Adoration South Africa	14-Dec-24
Amawombe - Kucheza Festival	29-Oct-24
Dark Magic	15-Nov-24
Growth Sessions	26-Oct-24
IMXINWA	24-Oct-24



In Full Bloom - The Seed (Incubator)	07-Dec-24
IYE	16-Nov-24
LIFTED - Mzansi Fela Festival	18-Dec-24
Miss Akasia South Africa	07-Dec-24
Miss Capital City SA Grand Finale	14-Dec-24
Mmasediba and Sehokolo - Double Bill (Kucheza Festival)	05-Dec-24
Ngwako Manamela	25-Oct-24
Norman Chauke	22-Nov-24
Oupa Makhubela	06-Dec-24
Soul Fusion: A Night of Compositions with Bonafide Billi & Mandla Ntlaks	04-Oct-24
Splash and Leap - Kucheza Festival	05-Nov-24
Thandiswa Mazwai - Mzansi Fela Festival	07-Dec-24
The Black Enigma Tour	08-Nov-24
Tragedy of Samuel Omunye(Toso) and Exodus - Double Bill	08-Oct-24
Voices of the Nation Choral & Opera music Spectacular - Von Turns 15	05-Oct-24
Zoë Modiga Presents Nzala'Bantu - Mzansi Fela Festival	13-Dec-24
Doomsday - (MCO Mzansi Fela Festival)	03-Dec-24
Harmony in our Hearts - (MCO Mzansi Fela Festival)	14-Dec-24
Isililo SeNdlovukazi- (MCO Mzansi Fela Festival)	11-Dec-24
Leruleso - (MCO Mzansi Fela Festival)	10-Dec-24
Mogozi - (MCO Mzansi Fela Festival)	12-Dec-24
MUSHI - The Smoke - (MCO Mzansi Fela Festival)	07-Dec-24
My Crazy Uncle - Greater Hammanskraal (MCO Mzansi Fela Festival)	12-Dec-24
Nkosazana - Uduomo Entertainment (MCO Mzansi Fela Festival)	05-Dec-24
Omama Bomthandazo - (MCO Mzansi Fela Festival)	13-Dec-24
Sindy's Rainbow Dream - (MCO Mzansi Fela Festival)	07-Dec-24
The Calabash Runs Dry - (MCO Mzansi Fela Festival)	07-Dec-24
THE LETTER "F" - (MCO Mzansi Fela Festival)	03-Dec-24
The Possible Grave - (MCO Mzansi Fela Festival)	05-Dec-24
The Watching King - (MCO Mzansi Fela Festival)	10-Dec-24
Tsa Lefatshe In the Midst of Thorns, a Flower Blooms - (MCO Mzansi Fela Festival)	14-Dec-24

Quarter Four

Production	Date
DEAR KAFFY - Diary of a Single Woman	27-Feb-25
Linked - Kucheza Festival	04-Mar-25
THE ADVENTURES OF SMARTY AND BUDDY - (YOUTH EXPRESSION FESTIVAL)	07-Mar-25
Umthombo and Baobab - Double Bill (Kucheza Festival)	11-Mar-25
Weathered- Kucheza Festival	18-Feb-25



Number of School set-works staged.

SPD4

School set-works staged

4

TOTAL 2024/25

4

Production	Date
Ubhuku Lwamange	09-Apr-24
Sophiatown	22-Apr-24
My Children! My Africa!	06-May-24
My Children! My Africa!	07-Mar-25

Number of In-house Festivals staged.

SPA2

Festivals staged

4

TOTAL 2024/25

4

Festival	Period
Kucheza Afrika Festival	2024/25
Youth Expressions Festival (YEF)	2024/25
Vavasati International Women's Festival	2024/25
Mzansi Fela Festival	2024/25



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

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa. The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

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

The accounting authority is responsible for establishing, and for implementing, a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully

Chief Executive Officer

Dr Sibongiseni Mthokozisi Mkhize

31 August 2025

Deputy Chairperson of Council

Ms Pamela Ndlovu

31 August 2025



7. STRATEGIC OVERVIEW

VISION

The premier “Pan-African” theatre of choice for a distinctly inclusive, transformative, and innovative entertainment experience.

MISSION

A dynamic arts and culture institution which is an entertainment destination of choice for creativity, inspiration, education, innovation, social cohesion, and economic transformation.

VALUES

Transparency

Provide access to information to promote society and employee trust in our programmes.

Freedom of expression

Encourage the constitutional right, and a pillar of democracy, to freedom of expression, in particular freedom to artistic creativity, in a responsible and unoffensive manner.

Accountability

Exercise responsibility and be able to account for our actions and transactions.

Honesty

Interact and transact with a good moral character to ensure truthfulness and openness.

Integrity

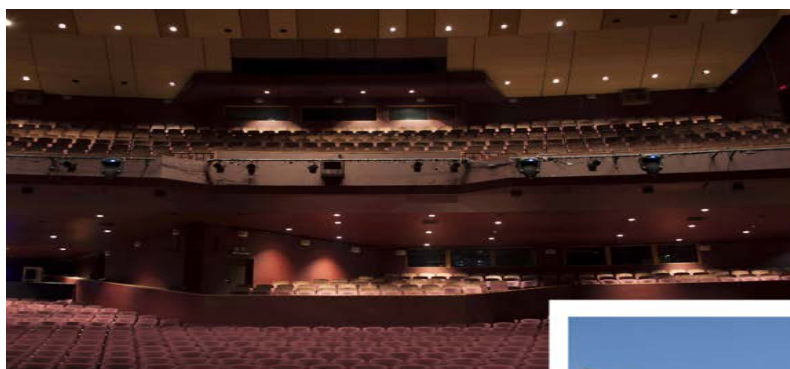
Practice consistency and uncompromising adherence to strong moral and ethical principles and values.

Excellence

Strive to achieve and surpass all expectations in our service delivery.

Empathy

Professional consideration, underpinned by emotional intelligence, for the circumstances affecting our colleagues, patrons and stakeholders.





8. LEGISLATIVE AND OTHER MANDATES

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

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

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

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

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

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

Legislative mandate

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

The South African State Theatre is the trading name of the Renaissance Theatre. As a Cultural Institution we are established under the auspices of the Department of Sport, Arts and Culture and are then bound by the Public Finance Management Act 1 of 1999 (PFMA) as well as other applicable legislations.

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

- Cultural Institutions Act, 1998 (Act 119 of 1998);
- Culture Promotion Act, 1983 (Act 35 of 1983);
- National Heritage Council Act, 1999 (Act 11 of 1999);
- National Heritage Resources Act, 1999 (Act 25 of 1999);
- Heraldry Act, 1962 (Act 18 of 1962);
- Legal Deposit Act, 1997 (Act 54 of 1997);
- National Arts Council Act, 1997 (Act 56 of 1997)



1997);

- National Film and Video Foundation Act, 1997 (Act 73 of 1997);
- Pan South African Language Board Act, 1995 (Act 59 of 1995);
- National Library of South Africa Act, 1998 (Act 92 of 1998); and
- South African Library for the Blind Act, 1998 (Act 91 of 1998).
- South African Geographical Names Council Act, 1998 (Act 118 of 1998);
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996)

Policy mandate

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

The SAST has accordingly aligned its legislative mandate to the Department of Sport, Arts and Culture's drivers, outcomes and/or outputs. In our 2020-2025 strategic plan, the SAST mandate has been updated in accordance with government's new focus on outcome-oriented programmes to be as follows:

NDP IMPLEMENTATION PLAN - PRIORITY 6:
SOCIAL COHESION AND SAFE COMMUNITY
NDP FIVE YEAR IMPLEMENTATION PLAN (2019-2024) OUTCOME
United, democratic, participatory, non-sexist, non-racial, equal society
DEPARTMENT OF SPORT, ARTS AND CULTURE OUTCOME
Social cohesion and nation building (Outcome 14)
The SAST has accordingly aligned its mandate to the DSAC's drivers, outcomes and/or outputs to derive its mandate as follows:
DEPARTMENT OF SPORT, ARTS AND CULTURE OUTCOME
Social cohesion and nation building (Outcome 14)
THE SOUTH AFRICAN STATE THEATRE
Provide access to performance spaces in which the performing arts sector creates productions that are watched by diverse audiences.

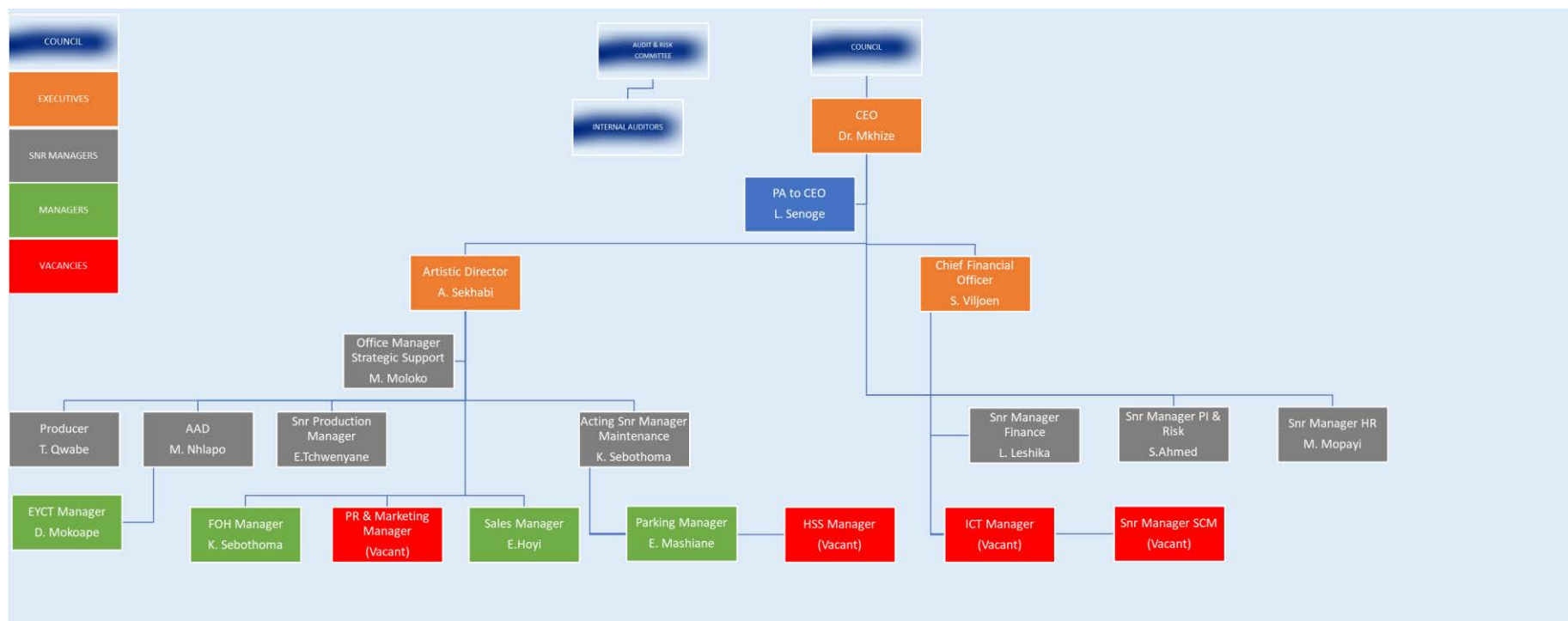
IMPACT STATEMENT

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



9. ORGANISATIONAL STRUCTURE DURING THE 2024/25 YEAR

(Top structure)





PART B: PERFORMANCE INFORMATION



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on performance information to report on material findings only and does not express an assurance opinion or conclusion. Material findings are reported under the Report on the annual performance report heading in the auditor's report.

The audit outcome for the 2024/25 performance information audit is included in Section 12 through to 19 of the Auditors Report, published as the *Report on the annual performance report*.

No material findings were identified on the reported performance information for the selected material performance indicators.

2. OVERVIEW OF PERFORMANCE

The programme targets set-out and reported on in the annual performance report are based on the approved 2024/25 Annual Performance Plan (APP). The 2024/25 APP was compiled taking into consideration the prevailing trading conditions.

SAST achieved an overall performance of 90% for the 2024/25 financial year, which when compared to the prior 2023/24 year performance of 71% reflects a significant improvement in organizational performance.

The number of programmes implemented decreased from thirty-five in the prior year to twenty for 2024/25. Eighteen of the planned programme targets were achieved in full. Two targets were not achieved.

The 2024/25 APP outlined the following six strategic outcomes:

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

Outcome Statement: Present In-house Performing Arts productions.

Outcome 2: Development opportunities provided.

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

Outcome 3: Revenue generated from commercial activities.

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

Outcome 4: Buildings and assets maintained and upgraded.

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

Outcome 5: Audience attendance improved.

Outcome Statement: Attract Audiences to watch the Performing Arts.



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

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

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

Programme 1: Administration

- Outcome 3, Outcome 4 and Outcome 6.

Programme 2: Business Development

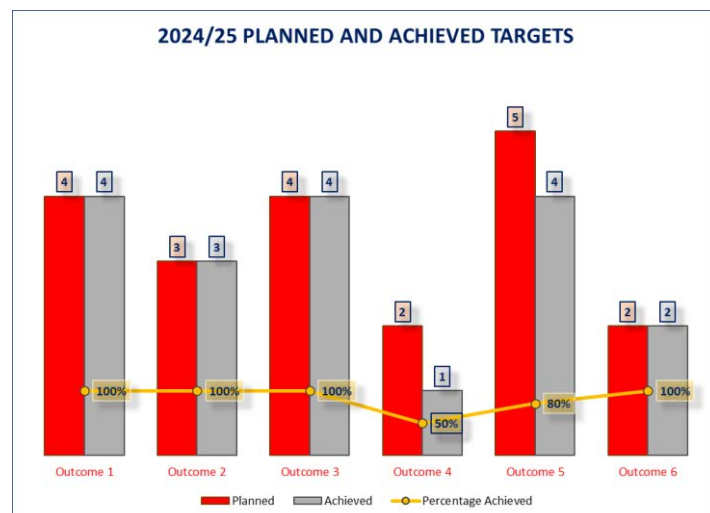
- Outcome 1 and Outcome 5.

Programme 3: Public Engagement

- Outcome 2.

Four of the six outcomes have been achieved in full for the year, namely; Outcome 1, 2, 3, and 6. Outcome 4 and 5 did not achieve all programme targets.

Performance by Outcomes



2.1. Service Delivery Environment

The South African State Theatre’s vision is linked to the Department of Sport, Arts and Culture’s vision and mission, which stems from the Constitution, more specifically from Article 27 of the Universal Declaration of Human Rights: “everyone shall have the right to freely participate in the cultural life of the community (and) to enjoy the arts”. The 2024/25 Annual Performance Plan (APP) was prepared by the Executive Management of the South African State Theatre (SAST).

Performance Indicators and Targets which appear in this report of Performance Information are based on the Performance Indicators and Targets set-out in the South African State Theatre Annual Performance Plan 2024/25.



KEY PROGRAMME OUTPUTS FOR 2024/25 IS AS FOLLOWS:

Outcome 1

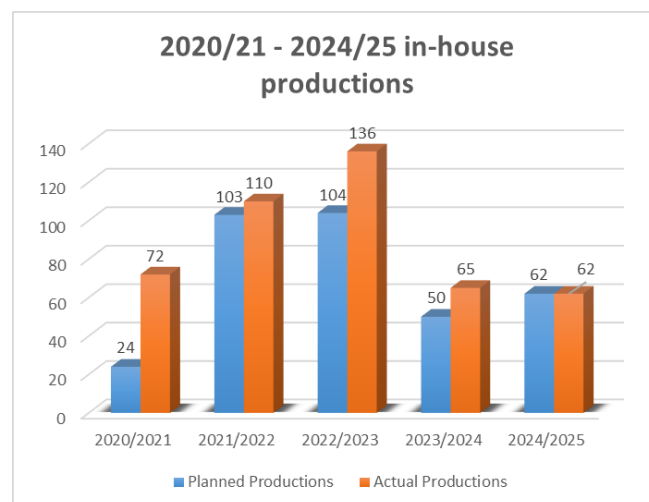
1. Stage in-house festivals.
2. Stage school set-work productions.
3. Stage in-house productions.
4. Short term job opportunities created in in-house productions.

All four outputs for Outcome 1 were achieved for the year. This included the core outputs under the artistic programme. Staging of in-house productions provides the opportunity for SAST to attract audiences to the theatre and thereby generate not only revenue from Ticket Sales but also from the related revenue streams, namely; the Parking Garage revenue and Front of House Bar sales.

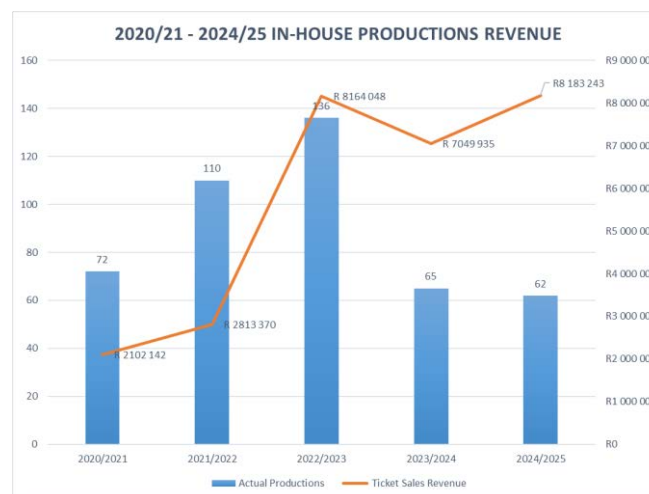
62 in-house productions were staged, achieving the target of 62. Together with in-house productions, SAST presented 4 school network productions, against a target of 2. The well-established 4 annual SAST festivals, namely; Kucheza Afrika Festival, Youth Expressions Festival, Vavasati International Women's Festival and Mzansi Fela Festival were staged during the year which featured both curated in-house productions together with several partnership based productions. Partnership based productions handsomely supported the in-house productions.

The output *Short-term job opportunities created in Productions presented by SAST* achieved the target of 483 with 625 jobs created in the year.

In-house Productions



Revenue from Productions



Outcome 2

1. Implement the Community Arts Dramaturgy Outreach Fieldwork programme.
2. Provide dramaturgy to in-house production's creative team members.
3. Provide internship positions.



The key output under Outcome 2 is *Implement the Community Arts Dramaturgy Outreach Fieldwork programme*. This programme is implemented in partnership with the Tshwane University of Technology and focuses on the development of emerging artists at a community level. In the 2024/25 year, 15 community groups participated in the programme, achieving the target of 15. The overall purpose of the programme is to identify and develop new talent and productions and nature these to become commercially viable skills and products for artists and thereby contribute to economic development in the sector. This programme is supported by the related output *Provide dramaturgy to in-house production's creative team members* which ensures that the creative works are ready to be presented.

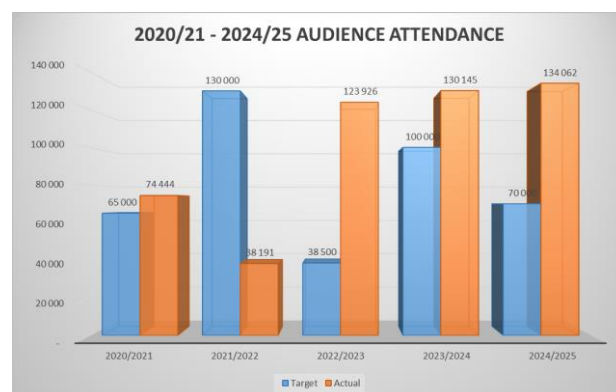
Outcome 5

1. Implement the marketing strategy.
2. Establish media partnerships to promote SAST and productions.
3. Implement the audience development strategy.
4. Attract audiences for events.
5. Conduct surveys of patron satisfaction.

Attract audiences for events is the key output under Outcome 5 and focusses on attracting and retaining audience for in-house productions, as well as to support rental productions. The priority here is to foster a socially cohesive environment for society to come together to witness and appreciate theatrical productions in order to develop a culture of theatre goers. While

increasing audience attendance is important, developing a paying audience that appreciates the value of the arts is equally important to ensure the financial viability of theatre productions. In total, 134,062 audiences attended productions and related events compared to the target of 70,000 for the year. The annual target was reduced to provide for ongoing repairs and maintenance.

Audience attendance



KEY CROSS-CUTTING PROGRAMME STRATEGIES:

Priority Groups

In developing programmes to implement our strategies, we have, as far as possible, included the key priority groups, namely Youth, Women and people living with Disabilities and those affected by Gender-based Violence (GBV).

SAST is committed to fighting Gender-based Violence and supports governments campaigns against GBV. Wherever possible, SAST programmes will adopt prevailing government campaign objectives and themes to contribute with implementation to intensify the fight against GBV.



Social Cohesion

Performing arts programmes are developed to allow people across all races, classes, gender, religion, nationality, ethnic origin and language to unite in a shared space with a common goal that is to present the very best performing art.

National Days

Programmes are aligned to the national days, where we celebrate our rich history through relevant performing arts works. We attract diverse audiences of people from across our society to unite in safe performance spaces to watch performances free from any form of social exclusion.

Job Creation

SAST programmes place emphasis on creating employment opportunities in support of the government's imperative of job creation. Key areas of job creation include the Artistic programme and Infrastructure projects. Internship positions are also created to firstly provide employment opportunities, but more importantly to provide young graduates with experiential learning opportunities to start their careers.

Sector Development

Access to the performing arts space, especially for those communities that have never before been allowed access, is the main focus of our programmes. Together with access, we also

provide development opportunities for performing arts practitioners to identify and establish economically viable careers and create performing arts products for local and international market consumption.

Self-generated Revenue

Self-generated revenue remains a priority area. Revenue from the SAST parking garage has increased, when compared to prior years that were negatively affected by the ongoing effects of covid-19. Revenue from ticket sales and Front of House bar sales performed very well during the course of 2024/25 and has returned to previous performance levels pre-covid

Infrastructure Management

Key capital works projects during 2024/25 included emergency repairs to the roofs and basement structure, a new parking system, improving stage lighting, ICT infrastructure and the ongoing foyers and ablutions project. Upgrading of the Kilnerton property commenced. Major repairs and maintenance across the theatre complex and office block were completed.

Compliance

Compliance with regulations is a fundamental requirement for SAST as a public entity. The annual financial audit must have an unqualified outcome. Any weaknesses in the control environment due to; people, systems, or processes are addressed on an ongoing basis to



ensure a positive audit outcome and mitigate the risk of fraud.

ICT

ICT services within SAST are focusing on securing organisational data and ensuring the availability of ICT systems to support business processes. Cybersecurity is a critical focus area due to the ongoing threat of cybercrime. ICT successfully developed and launched the SAST TV platform which was officially launched on 30 November 2025 in a star-studded event held at the SAST.

Governance

The Governance environment is underpinned by robust policies and procedures which are aligned to prevailing legislative prescripts and regulations. SAST pro-actively ensures that policies and procedures are developed, implemented and reviewed regularly. The SAST Council Charters, together with the Council Committee Charters were reviewed during the year to ensure alignment and efficiency.

Risk Management

SAST's Risk management has adopted a robust and proactive approach to ongoing risk identification, assessment and mitigation that supports strategy implementation and agile business improvements where necessary to ensure achievement of programme targets. In setting programme outputs and targets, related risks were identified and assessed. The Strategic Risk Register was accordingly updated to monitor

the identified risks. Risks that have been assessed with a rating of High or Catastrophic are focused on to mitigate the occurrence and minimise the impact.

Budgets

The 2024/25 budget was compiled and approved to support SAST's programmes while ensuring financial sustainability.

2.2. Organisational environment

A complete overhaul of the operating model was planned and undertaken during the year part of the upcoming new five-year planning cycle for the period 2025-2030. This included revisiting the Mission, Vision, Values, Identity and Strategic Pillars. It was agreed that in preparation for the new Strategic Plan for 2025-2030, that the SAST enters a phase of review and renewal and does business differently during 2024/25 to support the baseline for the new cycle. The new strategic focus is on the review of the operating model, review of the hybrid theatre programme, focus on operational efficiency, streamline decision-making processes, embrace agility, align strategy and structure, review quality of partnerships, redefinition of the concept of Return on Investment (RoI), revamp the physical infrastructure, modernization of business systems, and continue on the path of maintaining a healthy balance between fiscal stability and artistic creativity.



2.3. Key policy developments and legislative changes

The Department of Sport, Arts and Culture (DSAC), under the leadership of the Honourable Gayton McKenzie, has not introduced new policy or legislation during 2024/25.

The Amalgamation of DSAC entities has been cancelled and the related restrictions, such as the moratorium on recruitment has been lifted.

During the year, National Treasury Cost Containment Measures have remained in effect, which affected the trading environment.

2.4. Progress towards achievement of institutional Impacts and Outcomes

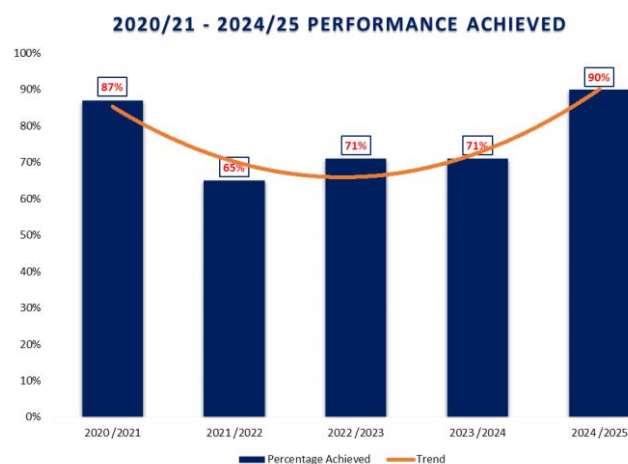
The 2024/25 year is the fifth year in the five-year planning cycle 2020 to 2025.

SAST achieved 90% of the predetermined targets.

Continuing from the previous years, good progress was made during the year in terms of the planned impact and outcomes outlined in the 2020-2025 strategic plan. Over the past five years, SAST achieved an **annual average of 77%**. 87%

was achieved in 2020/21, 65% in 2021/22 and 71% for both 2022/23 and the 2023/24 year. For 2024/25, SAST achieved 90% which confirms the return to pre-covid performance that showed an upward trajectory in achieving predetermined targets and improving organizational performance. Key strategic outcomes under Programme Two focusing on the core mandate of SAST were implemented during the year with good results reported for Audience engagement, providing Access to Theatre spaces, and for Job creation in the Performing Arts sector. The **overall impact** will be assessed in the end of term review to be compiled during the 2025/26 year.

Programme Performance





3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME 1: ADMINISTRATION

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

The programme aims to achieve the following SAST Outcomes:

- Outcome 3:** Generate revenue from commercial activities which includes Ticket Sales, Rentals, Fundraising and Front of House Sales
- Outcome 4:** Ensure long term sustainability of Buildings and Assets
- Outcome 6:** Ensure compliance with applicable Laws, Regulations and Statutory Legislation

PROGRAMME 2: BUSINESS DEVELOPMENT

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

The programme aims to achieve the following SAST Outcomes:

- Outcome 1:** Present In-house Performing Arts productions.
- Outcome 5:** Develop Theatre going Audiences

PROGRAMME 3: PUBLIC ENGAGEMENT

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

The programme aims to achieve the following SAST Outcomes:

- Outcome 2:** Provide development opportunities for emerging Arts Practitioners in the context of our programmes.



Summary of Performance by Strategic Outcome

SUMMARY OF PERFORMANCE BY STRATEGIC OUTCOME 2024/25

2024/2025				
Outcome	Number of Outputs	Achieved	Not Achieved	Overall Performance *
Outcome 1: In-house developed and externally sourced performing arts works presented.	4	4	0	100%
Outcome 2: Development opportunities provided.	3	3	0	100%
Outcome 3: Revenue generated from commercial activities.	4	4	0	100%
Outcome 4: Buildings and assets maintained and upgraded.	2	1	1	50%
Outcome 5: Audience attendance improved.	5	4	1	80%
Outcome 6: Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	2	2	0	100%
	20	18	2	
		90%	10%	

* Total overall performance is calculated using the weighted average method.

SUMMARY OF PERFORMANCE BY STRATEGIC OUTCOME 2023/24

2023/2024				
Outcome	Number of Outputs	Achieved	Not Achieved	Overall Performance *
In-house developed and externally sourced performing arts works presented.	11	8	3	73%
Development opportunities provided.	3	3	0	100%
Revenue generated from commercial activities.	7	4	3	57%
Buildings and assets maintained and upgraded.	2	0	2	0%
Audience attendance improved.	7	6	1	86%
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.	5	4	1	80%
	35	25	10	
		71%	29%	

* Total overall performance is calculated using the weighted average method.



Programme One: Administration

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

The programme aims to achieve the following SAST outcomes:

Outcome 3: Revenue generated from commercial activities.

Outcome 4: Buildings and assets maintained and upgraded.

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

One of the most significant achievements SAST has recorded for the 2024/25 financial year was receiving a Clean audit opinion for the 2023/24 financial year audit from the Auditor-General South Africa. This was achieved since there were no material findings recorded during the annual external audit. In terms of revenue generation, all annual revenue targets were achieved, the value of total revenue receipted was significant, at R26,704,362.42. Parking garage revenue and Front of House revenue both significantly overachieved their annual targets, which may be attributed to the significantly higher audience attendance recorded during the year which directly supports both revenue streams.

Achievement of targets under Programme one has contributed towards the overall fulfilment of SAST's strategic outcomes and entity mandate. Furthermore, through achieving these targets, SAST has contributed to government's strategic priorities, in particular the priority Building a capable, ethical and developmental State.

Under Programme one, SAST contributed to supporting the priority groups, in particular women by increasing procurement from women-owned enterprises. A specific provision for Points allocation to women-owned enterprises has been included in SAST's preferential procurement policy's Specific Goals which is designed to provide for a strategic procurement approach in order to increase procurement from women-owned enterprises.



Table of Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Outcome	Code	Output	Output Indicator	Actual (Audited) Performance		Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual			
Revenue generated from commercial activities.		Rental revenue from the Immovable Property Portfolio	Rental revenue from the Immovable Property Portfolio							
	SPI2	Generate rental revenue from the SAST immovable property portfolio, i.e. Kilnerton, Office Blocks, Restaurants and other spaces.	Property rental revenue recognised.	R3 905 980	R3 520 844	R3 744 397	R 4 168 556	R 424 159	Additional revenue from leasing building advertising space as well as from recovery of utilities costs contributed to the overachievement.	Repairs and maintenance still ongoing, pending budget availability. Thereafter to source new tenants.
		Revenue from In-house Productions' Ticket Sales and from Theatre Rentals	Revenue from In-house Productions' Ticket Sales and from Theatre Rentals							
	SPI4	Generate revenue from ticket sales of in-house productions and from Theatre rentals.	Ticket sales and theatre rental revenue recognised.	R8 164 048	R7 049 935	R8 088 428	R 8 183 243	R 94 815	Theatre rental as well as ticket sales for inhouse productions contributed to the overachievement. The annual target has been achieved.	To ensure ticket sales and theatre rental targets are achieved in order to contribute to the operational budget. Sales & Marketing turnaround strategy to be implemented. Theatre rental rates reviewed for 2025/26 to attract more productions.
		Parking Revenue	Parking Revenue							



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Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
	SPI5	Generate revenue from the Parking garage.	Parking garage revenue recognised.	R8 139 982	R8 018 121	R4 725 000	R 9 339 206	R 4 614 206		The ongoing long-term UIF contract, together with daily parkers and audience contributed to the overachievement. The annual target has been achieved.	To seek more long-term parking customers.
		Front of house Revenue	Front of house Revenue								
	SPI6	Generate revenue from Front of House sales.	Front of House sales revenue recognised.	R2 333 455	R3 468 826	R2 138 560	R 5 033 458	R 2 894 899		High audience attendance for the year that supported the Front of House bars. The annual target has been achieved.	To ensure restaurant and Front of House bars offering caters to all audiences.



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Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
Buildings and assets maintained and upgraded.	SPB	Capital Works Projects	Capital Works Projects								
	SPB1	Implement CAPEX projects that are approved and funded on the UAMP.	Number of approved and funded CAPEX projects completed.	1	0	6	2	-4		Two of the six key Infrastructure projects for the year have been completed. The emergency projects; roof waterproofing, and structural repairs have been completed in Q3. The foyers & ablutions project budget was exhausted in Q4. The new parking system contract was awarded and will be implemented in Q1 of 2025/26. The stage lighting project procurement was completed Q4, implementation is expected in Q1 of 2025/26. Both the parking system and stage lighting projects could not be completed due to procurement processes. Purchase and installation of new Server hardware for the ICT infrastructure project was completed in Q4. The new server room installation is planned for completion in Q1 of 2025/26.	To ensure CAPEX projects are implemented and completed as planned.
		Maintenance Programme in compliance with statutory regulations	Maintenance Programme in compliance with statutory regulations								
	SPB2	Implement the Maintenance Programme.	Number of Maintenance Programmes completed.	5	20% complete. Only deliverable 01, of 05 deliverables, was completed in full.	1: Repairs and Maintenance approved Project plan milestones for the financial year achieved.	1: Repairs and maintenance for key areas completed.	0		Inhouse maintenance programme implemented and milestones completed, within available budget. The annual target has been achieved.	To ensure that the maintenance project is implemented and completed as planned.



Outcome	Code	Output	Output Indicator	Actual (Audited) Performance		Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual			
Applicable Laws, Regulations and Statutory Legislation including the PFMA, Treasury Regulations and the LRA complied with.		Compliance with PFMA and Treasury Regulations	Compliance with PFMA and Treasury Regulations							
	SPR1	Achieve an Unqualified Audit report.	Audit opinion.	Qualified Audit report received (2021/22 Financial Year)	Clean audit opinion received for the 2022/23 financial year audit.	Clean Audit report (2023/24 Financial Year)	Clean audit report received for the 2023/24 financial year.	None	No material findings recorded during the audit. Control deficiencies identified and have been addressed through the audit action plan.	To ensure an audit action plan to address findings is compiled and implemented.
		Compliance with all South African Labour Acts	Compliance with all South African Labour Acts							
	SPR2	Comply with South African Laws and Regulations governing labour relations.	Number of labour matters ruled against the SAST for non-compliance with applicable labour legislation.	0 incidents reported	0 incidents reported	Maximum acceptable number of incidents: 0	0 incidents reported	None	Ongoing labour matters at the CCMA/Labour Court. Two matters concluded through settlement agreement. No rulings for non-compliance recorded. The annual target has been achieved.	To ensure that all labour matters are addressed within the provisions of applicable legislation.



Programme Two: Business Development

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

The programme aims to achieve the following SAST outcomes:

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

Outcome 5: Audience attendance improved.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Several outputs were overachieved under Programme two, which focusses on SAST's core mandate. These included; *Number of In-house Productions staged*, *Number of short term job opportunities created in in-house Productions*, *Number of audience for events*, and *Number of patron satisfaction surveys conducted*. The large number of in-house productions, together with rental productions attracted a significantly large number of audiences. In particular, high audience attendance was recorded for productions that catered to school children under the SAST's School Set-works programme and also in various rental productions that focus on this audience segment. The large number of productions, provided for a large number of jobs to be created, especially during festivals which contributed to the overachievement of this output. Surveys conducted through the year, though with limited responses, did provide valuable insight into audiences experiences when attending productions at the SAST. SAST has taken these surveys into consideration when reviewing areas that require improvement and noted commendations in particular for the high-quality of productions SAST presents.

Achievement of targets under Programme two has contributed towards the overall fulfilment of SAST's strategic outcomes and entity mandate. Furthermore, through achieving these targets, SAST has contributed to government's strategic priorities, in particular the priorities of *Economic transformation and job creation*, and *Social cohesion and safe communities*.

In Programme two, SAST focussed on supporting all priority groups, namely; women, youth and persons living with disabilities. This was achieved through creating job opportunities in SAST's productions that catered to these groups, in particular for women and youth. While, for people living with disabilities, SAST made provision for productions which include people living with disabilities to allow them to feature on stage or in the creative teams of productions. The latter was overachieved with productions featuring people living with disabilities being staged during the year. Specific provisions for Points allocation to women-owned enterprises, youth-owned enterprises and enterprises owned by people living with disabilities has been included in SAST's preferential procurement policy's Specific Goals which is designed to provide for a strategic procurement approach in order to increase procurement from these groups.



Table of Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
In-house developed and externally sourced performing arts works presented.	SPA	Artistic Productions	Artistic Productions	-	-	-					
	SPA2	Stage In-house Festivals.	Number of In-house Festivals staged.	4	4	4	4	0		The Youth Expressions Festival, and the Vavasati Festival productions were presented in quarter two. In quarter three, the Kucheza Festival, and the Mzansi Fela Festival productions were presented. Some productions from the Kucheza Festival, and from the Youth Expressions Festival were also presented in the fourth quarter. The annual target has been achieved.	To present festivals according to the approved artistic programme.



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Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
	SPD4	Stage school set-work productions.	Number of School set-works staged.	3	4	2	4	2		Three school setwork productions were presented during the first quarter, namely; Sophiatown, My Children My Africa and Ubhuku Lwamanqe. My Children My Africa was presented again in the fourth quarter. The annual target has been achieved.	To present school setworks according to the approved artistic programme.
	SPA1	Stage In-house Productions.	Number of In-house Productions staged.	133	65	62	62	0		In-house productions presented in the main artistic programme, festivals, partnerships and the incubator programmes contributed to the achievement.	To present inhouse productions according to the approved artistic programme.
		Job creation	Job creation								



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Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
Audience attendance improved.	SPR3	Short term job opportunities created in In-house Productions.	Number of short term job opportunities created in In-house Productions.	941	903	483	625	142		Short-term job opportunities in SAST's in-house productions were created during the year. The highest number of jobs were created by the SAST TV Launch, which show-cased excerpts from SAST's various productions over the past years.	To ensure short term jobs are created within available budget.
	SPM	Marketing	Marketing								
	SPM1	Implement the marketing strategy.	Approved marketing plans for each production of the annual artistic calendar.	Plans not prepared for all productions.	Not done.	Marketing plans prepared and approved for each production of the annual artistic calendar.	The combined Marketing and Audience development plan has been compiled during the year.	None		Implementation of the new Production Planning Template in 2024/25 has assisted in ensuring plans are compiled. The annual target has been achieved.	To ensure that the Production Planning template is duly prepared, and implemented.



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Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
	SPM2	Establish media partnerships to promote SAST and productions.	Number of media partnerships established.	4	4	2	0	-2		Media partnerships were not secured for the 2024/25 year. Prospective partners were approached during the year, including Khaya FM. However, none were willing to partner with SAST.	To secure new media partnerships to promote SAST and its productions.
		Audience Development	Audience Development								
	SPM3	Implement the audience development strategy.	Approved audience development plan for each production of the annual artistic calendar.	Plans developed and implemented	Plans developed	Audience development plans prepared and approved for each production of the annual artistic calendar.	The combined Marketing and Audience development plan has been compiled during the year.	None		Implementation of the new Production Planning Template in 2024/25 has assisted in ensuring plans are compiled. The annual target has been achieved.	To ensure that the Production Planning template is duly prepared, and implemented.



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Outcome	Code	Output	Output Indicator	Actual (Audited) Performance			Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual	Actual			
	SPM4	Attract audiences for events.	Number of audience for events.	123 926	130 145	70 000	134 062	64 062		Good audience attendance for the year, in particular for school related productions, as well as the weekly Black Labone event that attracted large audiences throughout the year, contributed to the overachievement. The annual target has been achieved.	To continue presenting rental and partnership productions, together with inhouse productions to attract paying audience.
		Patron Satisfaction	Patron Satisfaction								
	SPM5	Conduct surveys of patron satisfaction.	Number of patron satisfaction surveys conducted.	20	19	4	14	10		Surveys were conducted during the year for various productions. Additional surveys conducted during in order to assess audience perceptions on productions presented. The annual target has been achieved.	To encourage audience participation in surveys through competitions and other mechanisms, such as ticket give-aways as well as direct email campaigns inviting audience to participate in surveys.



Programme Three: Public Engagement

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

The programme aims to achieve the following SAST outcomes:

Outcome 2: Development opportunities provided.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Significant overachievement in this programme was noted in respect of *Number of interns appointed*. However, the main focus of this programme is the development of artists, in particular emerging artists. The purpose being to develop these artists skills, knowledge and creative talent in order to support their participation in mainstream commercial theatre productions or to create and present their own artistic work. SAST provides access to professional theatre spaces and resources in order to achieve this. The primary outputs under this programme, namely; *Number of Community Arts Groups that participated in the programme*, and *Number of in-house production's creative team members provided with dramaturgy*, both were successfully implemented during the year and achieved their targets. The Mayibuye Community Outreach programme hosted 15 community groups. All 15 groups successfully developed a production that was staged at the SAST, as part of the annual Mzansi Fela Festival, with an awards ceremony that gave recognition to their achievements during the programme. The closely related dramaturgy programme supported the community groups to develop their productions. The dramaturg's also supported productions under SAST's Incubator programme.

Achievement of targets under Programme three has contributed towards the overall fulfilment of SAST's strategic outcomes and entity mandate. Furthermore, through achieving these targets, SAST has contributed to government's strategic priorities, in particular the priorities of *Education, skills and health, and Social cohesion and safe communities*.

As noted above, Programme three includes SAST's development programmes that support participants in the various productions presented. The programmes; community development, and dramaturgy support cater broadly to the development of women, youth and people living with disabilities who are participating in the core programmes. The community development programme is extremely effective in encouraging the participation of people from all priority groups in productions presented by the SAST. It provides an entry point into professional theatre. Once participating, the dramaturgy programme provides emerging artists professional support to develop their skills with the aim of becoming economically active. The priority groups thus gain access to mainstream commercial theatre opportunities.



Table of Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Outcome	Code	Output	Output Indicator	Actual (Audited) Performance		Planned Annual Target	Actual Achievement	Deviation from planned target to Actual Achievement	Reason for deviation	Interventions that will be put in place
			(Indicators must be read in conjunction with Technical Indicator Descriptions)	2022/2023	2023/2024	2024/2025	2024/2025			
		(Key Output - SMART)	(Unit of Measure)	Actual	Actual	Target	Actual			
Development opportunities provided.	SPD	Development Programme	Development Programme							
	SPD1	Implement the Community Arts Dramaturgy Outreach Fieldwork programme.	Number of Community Arts Groups participating in the programme.	15	15	15	15	0	All fifteen MCO groups participating in the programme successfully staged their productions during the Mzansi Fela Festival in December. The annual target has been achieved.	MCO programme to be implemented in 2025/26.
	SPD3	Provide dramaturgy to in-house production's creative team members.	Number of in-house production's creative team members provided with dramaturgy.	23	16	20	32	12	In quarter one, 1 production received dramaturgy support, none in quarter two, 16 productions in quarter three. In quarter four, The Adventure of Smarty and Buddy as well 14 MCO groups for the 2025/26 programme received dramaturgy support. The annual target has been achieved.	To ensure high quality of productions, especially emerging productions by providing dramaturgy
		Learning and Development	Learning and Development							
	SPR4	Provide internship positions.	Number of interns appointed.	6	12	6	11	5	Programme ongoing from 2023/24, with contracts ending during 2024/25. The annual target has been achieved.	To recruit interns as required



Linking performance with budgets

Programme/activity/objective	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Artistic	9 469	5 846	3 623	11 919	8 779	3 140
Front of House	2 773	3 169	(396)	1 389	2 071	(682)
Security and transport (travel)	150	283	(133)	7 049	4 900	2 149
Parking	172	172	-	400	376	24
Stage Services	2 500	2 669	(169)	705	1 413	(708)
Marketing	2 992	2 860	132	2 410	2 391	19
Human Resources	51 671	52 190	(2 300)	44 887	48 466	(3 579)
Development	500	3 343	(2 843)	3 000	4 052	(1 052)
Administration	32 562	28 844	(288)	7 968	12 754	(4 786)
Maintenance (Including CAPEX)	34 483	14 734	20 360	31 837	17 066	14 771
Total	137 272	114 110	23 162	111 564	102 268	9 296

There was a strategic change in the normal business of the SAST during the third and fourth quarter, where firstly the artistic programme was not scheduled for the first and fourth quarter, to save on operational expenditure, and secondly urgent repairs and maintenance at both 320 Pretorius and at the Kilnerton premises was implemented. This effected the artistic budget, maintenance budget, administrative budget and the Human Resources Budget. SAST has insourced Security and Cleaning services from 01 December 2023. The remaining budget on the Human Resources was due to cost saving measures on the appointment of ad hoc employees, but also due to the delay in filling positions within SAST, due to the moratorium that was implemented and subsequently lifted by DSAC. Included in the Maintenance budget is the CAPEX budget, as well as the repayments that had to be done to the CAPEX bank account. All payments due to the CAPEX bank accounts were made with limited projects still left on the CAPEX plan.



4. REVENUE COLLECTION

	2024/2025			2023/2024		
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Grant	109 146	99 028	11 647	89 654	84 946	4 708
Fundraising, marketing and other	27 764	26 879	(643)	21 702	24 323	(2 621)
Other income	362	455	(93)	208	375	(167)
Total	137 272	126 362	10 911	111 564	109 644	1 920

The under collection is due to the under spending on the budgeted amount for CAPEX. Three projects which makes up the under collection were finalised at year end and purchase orders were issued. They are included under commitments in the Annual Financial Statements.



5. CAPITAL INVESTMENT

	2024/2025			2023/2024		
Infrastructure projects	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Facilities and Management Contract	-	-	-	4 312	4 312	-
Foyer and Ablutions	3 930	3 839	91	5 656	1 725	3 930
Stage Lighting	4 264	-	4 264	4 264	-	4 264
Stage Equipment	8	-	8	171	163	8
Asset Management	298	298	-	427	130	298
Kilnerton Stores Fence and Repairs	770	770	-	2 000	1 230	770
IT Infrastructure	2 328	647	1 681	2 328	-	2 328
Parking System	4 284	-	4 284	4 284	-	4 284
Repairs and Maintenance	3 198	3 198	-	6 848	3 650	3 198
Replacement of roof	11 511	6 496	5 016	14 176	-	14 176
Structural repairs	6 000	5 273	728	3 335	-	3 335
Interest	3 883	2 167	6 049	1 565	2 318	3 883
Total	40 514	22 727	22 121	48 744	12 113	40 514



PART C: GOVERNANCE



1. INTRODUCTION

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

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

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

2. PORTFOLIO COMMITTEES

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

3. EXECUTIVE AUTHORITY

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

30 April 2024	4th Quarterly Report 2023/24
31 July 2024	Annual Financial Statements and Performance Information 2023/24
30 July 2024	1st Quarterly Report 2024/25
20 September 2024	Annual Report 2023/24
29 October 2024	2nd Quarterly Report 2024/25
24 February 2025	Annual Performance Plan 2025/26 Strategic Plan 2025-2030
30 January 2025	3rd Quarterly Report 2024/25

4. THE ACCOUNTING AUTHORITY (COUNCIL)

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

- The adoption of strategic plans;



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

Council delegated specific responsibilities to a number of Committees which operate in terms of their own Committee Charters that are reviewed and approved by the Council. During the 2024/25 year, all committees Charters were reviewed extensively with a view to ensure that each committee correctly and adequately address the specific areas of responsibility assigned to it and to ensure that there is no overlap of these responsibilities between the committees. The following Committees were operational during the 2024/2025 financial year:

Finance Committee (FINCOM):

The purpose of the FINCOM is to formulate and monitor Finance policies for recommendation and reporting to the Council which promote the achievement of the SAST's strategic objectives and encourage individual performance. The Committee receives, holds, preserves, and safeguards all movable property placed under the care and management of the SAST by the

Minister of Sport, Arts and Culture, in terms of section 10(1) of the Cultural Institutions Act. The Committee is responsible to assist Council to manage and control money received by the SAST and to utilize those monies for defraying expenses in connection with the performance of the SAST's functions as well as to enable the SAST to keep a proper record of the property of the SAST and to submit to the Director-General any returns required by him or her in regard thereto and to cause proper books of account to be kept. In the 4th quarter of 2024/25, FINCOM was combined with ARC.

Audit and Risk Committee (ARC):

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

Institutional Development Committee (IDC):

The IDC is responsible to present an Artistic offering, of optimal quality, that



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

Human Resources and Remuneration Committee (HRRC):

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

Social and Ethics Committee (SEC)

The Council agreed that it was of paramount importance to establish a SEC. The SEC was

subsequently established by Council during February 2021. The SEC assists the Council in overseeing and reporting on the SAST's ethics, responsible corporate citizenship, sustainable development, legal compliance and stakeholder relationships.

Information and Communication Technology Strategic Committee (ICTSC)

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

Remuneration, Social, and Ethics Committee (REMSEC):

In the 4th quarter, HRRC and SEC was combined to form REMSEC.

COUNCIL'S VALUE CREATION PROCESS

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



common understanding between the SAST and the executive authority on how to reconcile competing objectives so that a strategic plan for SAST can be developed within these confines. The Council has recognised, by way of their communications and suggestions to the

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

COMPOSITION OF THE COUNCIL

The following are the Council members of SAST, appointed by the Minister of the Department of Sport, Arts and Culture, for the period 01 April 2024 – 31 March 2025.

Name	Term /Date appointed	Qualifications	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Prof. NM Mazibuko (Chairperson)	Initial: 01/12/2017– 30/11/2020. Renewed: 09/12/2020 – 08/12/2023. Renewal extended: 09/12/2023 – 08/12/2024.	BA and Honours degree in Social Work - University of Zululand. BA majoring with Political Science and Communications – University of South Africa (UNISA). Master's Degree in social sciences - University of KwaZulu- Natal. PhD in Social Policy & Organisational Studies - University of Illinois, Chicago.	Education, Youth development in higher education, Research, innovation and human development.	Female	African	10/13
Dr MJ Ndlovu (Deputy Chairperson)	Initial: 01/12/2017– 30/11/2020.	Master's Degree in Business Administration	Business Administration with emphasis	Female	African	10/13



Name	Term /Date appointed	Qualifications	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
	Renewed: 09/12/2020 – 08/12/2023. Renewal extended: 09/12/2023 – 08/12/2024.	(MBA) - University of KwaZulu-Natal. PhD in Business Administration - University of KwaZulu-Natal.	on Human Resources Management.			
Adv KP Thango	Initial: 09/12/2020 – 08/12/2023. Renewed: 09/12/2023 – 08/12/2024.	B Proc: LLB, University of KwaZulu-Natal Project Management (Diploma) - Varsity College Matric with exemption, Mshiyane High School, KZN	Law	Male	African	10/13
Mr S Maharaj	Initial: 09/12/2020 – 08/12/2023. Renewed: 09/12/2023 – 08/12/2024.	CA (SA): South African Institute of Chartered Accountants (1998) Hons BCompt Degree: University of South Africa (1994) BCom Degree : University of Natal (1992)	Finance	Male	African	3/13



Name	Term /Date appointed	Qualifications	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Mr L Nawa	Initial: 09/12/2020 – 08/12/2023. Renewed: 09/12/2023 – 08/12/2024.	University of South Africa, 2012: DLitt et Phil (PhD) University of Cape Town, 2003: MA (Creative Writing) University of Cape Town 1989: BA (Hons) Vista University, 1987: Bachelor's Degree (BA)	Arts and creative writing	Male	African	10/13
Mr UG Masokoane	Initial: 09/12/2020 – 08/12/2023. Renewed: 09/12/2023 – 08/12/2024.	Batchelor of Science: Mass Communication: University of Lagos Diploma London International Film School	Arts	Male	African	10/13
Ms N Manana	Initial: 09/12/2023 – 08/12/2024. Reappointed 9/12/2024 – 8/12/2027	Bachelor of Commerce (University of Durban-Westville) Post Graduate Diploma in Business Management	Strategy, Business Development & Enablement, Marketing and Communications, People	Female	African	13/13



Name	Term /Date appointed	Qualifications	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
		(University of KwaZulu-Natal)	Management			
Ms J Govender	Initial: 09/12/2023 – 08/12/2024.	CA (SA) : South African Institute of Chartered Accountant Conversion Course / Bachelor of commerce Degree Bachelor of Science (majoring in mathematical statistics and Biochemistry) <i>Rhodes University, Grahamstown</i>	Finance	Female	Indian	9/13
Mr M Makgolo	Initial: 09/12/2023 – 08/12/2024	MA (Honours) Archaeology – University of Auckland, New Zealand BA (Honours) Archaeology and African History – University of Ibadan, Nigeria	Cultural heritage and environmental management	Male	African	9/13
Mr Phil Molefe	09-Dec-24 to 08-Dec-27	Master of Business Leadership (UNISA);	Print and broadcast media, with	Male	African	3/13



Name	Term /Date appointed	Qualifications	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
			expertise in public service broadcasting, executive leadership, and media strategy.			
Mr. Zak Gordon	09-Dec-24 to 08-Dec-27	Master's Degree ,TUT	Sports, Performing Arts and culture development	Male	Colored	3/13
Ms. Khwezi Kunene	09-Dec-24 to 08-Dec-27	Postgraduate Diploma in Leadership Development (Stellenbosch, 2013); BSc in Property Development (UKZN, 2006)	Stakeholder Engagement, Project Management, Strategic Governance, infrastructure development	Female	African	3/13
Ms Lebogang Matlala CA (SA)	09-Dec-24 to 08-Dec-27	Master of Business Leadership (UNISA, 2024); BCom Honours in Accounting (UNISA, 2012); BCom Honours in Auditing (UNISA, 2010).	Finance Management, Risk Management & Auditing	Female	African	3/13



Name	Term /Date appointed	Qualifications	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Adv. Charlie Naidoo	09-Dec-24 to 08-Dec-27	Masters in Law Degree (LLM)	Legal Research and Analysis, Constitutional and Administrative Law, Corporate and Commercial Law	Female	Indian	3/13
Mr. Edward Phiri	09-Dec-24 to 08-Dec-27	Bachelor of Arts in Music (Summa Cum Laude, UKZN, 2009); Master of Arts (Wits, in progress since 2023).	Music Education, Performing Arts & Culture	Male	African	3/13
Ms. Pamela Ndlovu	09-Dec-24 to 08-Dec-27	BTech Drama (TUT, 2011); BA Communication Science (UNISA).	Creative Education, Performing Arts & Culture	Female	African	3/13
Dr Sibongiseni Mthokozisi Mkhize (CEO Ex-officio member)	01/11/2015	BA, BA Honours, MA - University of KwaZulu- Natal PhD - University of the Witwatersrand	History, Culture and Heritage, Management of Arts, Culture and Heritage Institutions	Male	African	6/13

In addition to the above Ms Santa Viljoen (Chief Financial Officer), Mr. Aubrey Sekhabi (Artistic Director) attended the Council meetings by standing invitation during the year.



COUNCIL

For the period 1 April 2024 – 31 March 2025

There were 4 Ordinary Council Meetings, 7 Special Meetings and two Council Induction/Strategic Planning Workshops.

Council Meetings:

Council	30-May-24
Council	06-Aug-24
Council (Special)	07 Oct-24
Council (Special)	14-Oct-24
Council (Special)	23-Oct-24
Council (Special)	18-Nov-24
Council	28-Nov-24
Council (Special)	30-Nov-24
Council (Special)	02-Dec-24
Council (Special)	05-Dec-24
Council (Induction)	04-Feb-25
Council (induction)	05-Feb-25
Council	27-Feb-25

REMUNERATION OF COUNCIL MEMBERS

Refer to note 30 of the Annual Financial Statements for a detailed table of Council members' remuneration during the 2024/25 financial year.



COMMITTEES

The following is the composition of the Committees as appointed by SAST Council, as at 31 March 2025.

Audit and Risk Committee (ARC)

For the period 1 April 2024 – 31 March 2025

ARC Meetings:

ARC	30-Apr-24
ARC (Special)	17-May-24
ARC (Special)	24-May-24
ARC (Special)	25-Jul-24
ARC	30-Jul-24
ARC	30-Oct-24
ARC	30-Jan-25

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Ms V Ndlovu (Independent External Member)	01/06/2019	Finance	Female	African	7/7
Mr T Rochussen (Independent External Member)	03/12/2020	Finance	Male	White	7/7
Ms Z Nkosi (Independent External Member)	03/12/2020	Law and Finance	Female	African	6/7
Mr S Maharaj	09/12/2020	Finance	Male	Indian	2/7
Dr MJ Ndlovu	08/02/2018	Business Administration with emphasis on Human Resources Management	Female	African	7/7
Mr L Monama (Independent External Member)	01/07/2022	Finance	Male	African	4/7



Institutional Development Committee (IDC)

For the period 1 April 2024 – 31 March 2025

IDC Meetings:

IDC 09-May-24
IDC 22-Aug-24
IDC 14-Nov-24
IDC 17 Feb-25

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Mr UG Masokoane (Chairperson)	09/12/2020	Arts	Male	African	3/4
Mr L Nawa	09/12/2020	Arts and Creative Writing	Male	African	3/4
Mr S Maharaj	09/12/2020	Finance	Male	Indian	1/4
Ms N Manana	29/02/2024	Strategy, Business Development & Enablement, Marketing and Communications,	Female	African	4/4
Mr. Edward Phiri	05/02/2025	Music Education, Performing Arts & Culture	Male	African	1/4
Ms Pamela Ndlovu	05/02/2025	Creative Education, Performing Arts & Culture	Female	African	1/4
Mr. Zakaria Gordon	05/02/2025	Sports, Performing Arts and culture development	Male	Colored	1/4
Ms. Khwezi Kunene	05/02/2025	Stakeholder Engagement, Project Management, Strategic Governance, infrastructure development	Female	African	1/4



Human Resources and Remuneration Committee (HRRC) – Now called REMSEC since Q4

For the period 1 April 2024 – 31 March 2025

HRRC Meetings:

HRRC	7 May 2024	HRRC	11 November 2024
HRRC	11 July 2024	REMSEC	19 February 2024

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Dr MJ Ndlovu (Chairperson up to Q3)	08/02/2018	Business Administration with emphasis on Human Resources Management	Female	African	3/4
Mr L Nawa	09/12/2020	Arts and Creative Writing	Male	African	3/4
Adv KP Thango	09/12/2020	Law	Male	African	3/4
Ms N Manana (New Chairperson since Q4)	29/02/2024 Reappointed 05/02/2025	Business Development & Enablement and People Management	Female	African	4/4
Mr M Makgolo	29/02/2024 Term ended 8 Dec 2024	Cultural heritage and environmental management	Male	African	3/4
Adv. Charlie Naidoo	05/02/2025	Legal Research and Analysis, Constitutional and Administrative Law, Corporate and Commercial Law	Female	Indian	1/4
Mr. Edward Phiri	05/02/2025	Music Education, Performing Arts & Culture	Male	African	1/4
Ms Pamela Ndlovu	05/02/2025	Creative Education, Performing Arts & Culture	Female	African	1/4



Finance Committee (FINCOM) – Consolidated with ARC since Q4

For the period 1 April 2024 – 31 March 2025

FINCOM Meetings:

Finance Committee 2 May 2024

Finance Committee 23 October 2024

Finance Committee 29 July 2024

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Mr S Maharaj (Chairperson)	09/12/2020	Finance	Male	Indian	1/3
Adv KP Thango	09/12/2020	Law	Male	African	3/3
Ms C Mtshali (Independent External Member)	01/07/2022	Finance	Female	African	3/3
Ms J Govender	29/02/2024	Finance	Female	Indian	2/3

Social & Ethics Committee (SEC) NOTE: Combined with REMSEC (previously HRRC) since Q4

For the period 1 April 2024 – 31 March 2025

SEC Meetings:

SEC 16 May 2024

SEC 20 November 2024

SEC 25 July 2024

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Adv KP Thango (Chairperson)	09/12/2020	Law	Male	African	3/3
Mr UG Masokoane	09/12/2020	Arts	Male	African	3/3
Mr M Makgolo	09/12/2023	Cultural heritage and environmental management	Male	African	3/3



Information and Communication Technology Strategic Committee (ICTSC)

For the period 1 April 2024 – 31 March 2025

ICTSC Meetings:

ICTSC 18 April 2024 ICTSC 18 October 2024 *

ICTSC 24 January 2025

(* The 18 October 2024 meeting included the July 2024 meeting reports. The planned July 2024 meeting did not take place due to a lack of quorum.)

Name	Date appointed	Area of knowledge, skills and expertise	Gender	Race	No. of Meetings attended
Mr A Latchu (Chairperson) (Independent External Member)	01/09/2021	IT	Male	Indian	3/3
Ms V Nayagar (Independent External Member)	01/09/2021 Resigned 9 April 2024 (attended final meeting Q1)	Cyber Security Expert	Female	Indian	1/3
Mr Makabongwe Siziba (Independent External Member)	1 October 2024	IT	Male	African	2/3
Mr. Zakaria Gordon (Council Member)	5 February 2025	Sports, Performing Arts and culture development	Male	Colored	0/3
Adv. Charlie Naidoo (Council Member)	5 February 2025	Legal Research and Analysis, Constitutional and Administrative Law, Corporate and Commercial Law	Female	Indian	0/3



5. RISK MANAGEMENT

The South African State Theatre has an approved Enterprise Risk Management Policy and compiles an annual Risk Management Plan and Strategy. SAST assesses risk on an ongoing basis which is monitored through monthly departmental reports that capture occurrence, changes and mitigation of identified risks as well as the identification of new and emerging risks. A Risk Management Committee has been established which performs ongoing risk assessment and monitoring implementation of agreed mitigation action plans. In this regard, SAST has in the current year prioritised risk management action plans which are a key focal point for discussion and implementation.

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

The SAST Audit and Risk Committee independently monitors the enterprise risk management system to ensure its effectiveness. In line with recommended practices of risk governance, the Council has emphasized the importance and value of treating risk as integral to the way it makes decisions and executes its duties.

6. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEES

Refer to the detailed Audit and Risk Committee Report.

7. COMPLIANCE WITH LAWS AND REGULATIONS

SAST monitors compliance with applicable legislation, especially the PFMA, throughout the entity. Monthly and Quarterly compliance reports are prepared and respective managers are tasked to address areas of non-compliance through the risk management committee.

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



projects, strategies and/or processes will fall within the scope of compliance required by the relevant laws and regulations, of which SAST is subject to.

8. FRAUD AND CORRUPTION

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

ZERO TOLERANCE OF FRAUD AND CORRUPTION

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

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

- Whistle-blowing framework which includes the National HOTLINE (0800 701 701).
- Prevention of fraud and corruption policy.
- Delegation of authority, with related segregation of duties.
- Ongoing fraud and awareness communication.

9. MINIMISING CONFLICT

- Management and staff of SAST have regular communication relating to the possibility of conflict of interest.
- Controls have been implemented at Management and staff level where declaration of interests are requested to be signed.
- At a supply chain management (SCM) level, conflict of interest is minimised as follows:
 - o SCM is a centralised unit which consists of an SCM manager, one Senior SCM official, and three SCM administrators. The unit is overseen by the CFO.
 - o Each SCM official (including ad hoc staff) signs a declaration of interest form to indicate if there is a conflict of interest with suppliers.
 - o Ad hoc staff sends requests for quotations as requested by the individual departments and the SCM official places the order.



- o The CFO reviews all purchase orders ensuring that the suppliers are valid and the supplier with the qualifying quotation has been awarded the order.
- o The CFO also ensures that SBD 4 forms are received from the suppliers.
- o For tenders, the BEC and BAC are independent members and are also requested to sign independence declarations. Where a conflict of interest is identified, the member will not be involved in the awarding of the tender.
- o Goods received vouchers are signed by the department requesting the goods/services and payment is made by the creditors' clerk who is independent from the SCM process. All payments are checked and reviewed and released by the CFO and one other signatory.

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

environment that supports the integrity of information for internal decision-making and for the SAST's external reports.

10. CODE OF CONDUCT

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

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

PROMOTING ETHICAL CONDUCT

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

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

ENVIRONMENTAL

With reference to the Occupational Health and Safety Act 85 of 1993, the statutory law



administered by the Department of Employment and Labour requires SAST to monitor the impact of the SAST activities (products & services) and projects on the environment.

We plan to address energy efficiency and energy security more effectively in the new year both for the short and medium terms through interventions that maximize energy security.

Execution of energy projects is in progress through various interventions across the business units, with the objective of ensuring the resilience and efficiency of SAST Facilities, machinery and operations while contributing towards attaining the strategic targets. This includes:

- On-site solar energy generation that can reduce operating costs, and loadshedding vulnerability.
- Sensor technologies and LED lighting that can reduce energy consumption and costs.
- Increased resource efficiency can reduce operating costs and, especially through improved building energy consumption.
- A green star rating can enhance the SAST's reputation.
- Efficient water consumption can reduce operating costs, mitigate, and reduce possible shortages that could impact water-cooled infrastructure.

SAST has complied with the Energy Performance Certification (EPC) requirements. Certificate

number EPC-SA 00430-2023 was issued to SAST with a category B rating of 35 kWh/(m².a).

HEALTH AND PUBLIC SAFETY

SAST has established, and monitors on an ongoing basis, health and safety performance measures to ensure that it is maintained as a priority across all projects undertaken by the South African State Theatre.

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

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



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

- keeping abreast of the OHS legal requirements.
- the SAST OHS strategy - to reduce workplace injuries, build and foster the safety culture and behaviour.
- strengthen our relationships with our contractors - SAST will hold “Contractor Safety Stand- downs” to facilitate and improve contractor OHS awareness and compliance, and improve the measurement, monitoring and reporting of contractor safety performance.

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

OHS Compliance

During the 2024/25 financial year SAST did not have material or repeated regulatory penalties, sanctions or fines for contravention of, or non-compliance with, statutory obligations reported. The status of the compliance risks is reported to the risk management committee, which reports to the Audit and Risk Committee of Council on a quarterly basis.

Portable Fire Fighting Equipment

The Emergency Service Department, Fire Brigade Service Division has issued a Certificate of Fitness

(Permit no. S 2023-2024 /41 upto 07 September 2024 and Permit no. S 2024-2025 /41 from 08 September 2024) to SAST. A three-year service provider contract for the maintenance of firefighting equipment was signed which provided for all firefighting equipment to be serviced during the year.

OHS Priorities

- Service Portable Fire Extinguishers and Fire Hoses at FH Odendaal building and Kilnerton.
- Inefficient and outdated CCTV and Access Control system (Replacement of CCTV and Access Control System)
- Business Continuity Implementation
- Regulatory and compliance (training of First Aid, Fire Marshalls, Evacuation Officers and Working at Heights). On-site qualified medical assistance not provided for.
- Fire detection phase 2 compliance project

SECURITY

Security Service Provider

The following key interventions are implemented;

- Guard Patrols, Armed response, and Alarm System at FH Odendaal building.
- Guard Patrols, Armed response and Alarm System at Kilnerton.
- Rotational day and night shifts with every shift having a level 3 First Aid security officer on duty.



BUSINESS CONTINUITY MANAGEMENT

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

12. SOCIAL RESPONSIBILITY

MAYIBUYE COMMUNITY OUTREACH PROGRAMME

Background

The South African State Theatres' Education Youth and Children's Theatre Department (EYCT) is dedicated to development programmes, specifically for Young Creatives in the Arts Industry and those seeking guidance and direction in the arts industry. The programmes include upskilling workshops, productions for children and those that aid school language curriculums plus platforms to showcase their talent in SAST festivals. The overall goal is to empower the youth

through education, economic participation and mentorship for to contribute to the growth of the national arts industry. The EYCT Department also creates partnerships and a network for the arts industry through these programmes.

Programme Description

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

Programme Objectives

Develop the Arts

- The sharing of information with the aim of assisting community art groups to stage productions that will; reflect on the status quo of their society; to question and examine societies norms and beliefs at the same time entertain and evoke interrogation from their audiences with the end goal being social cohesion amongst global communities.
- To highlight and improve the role of the arts in society.



- To place The South African State Theatre within the context of communities - in growing its relationship with various communities across the country.

Develop the Artists and Facilitators

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

Develop Audiences

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

Outreach Workshop and Upskilling Programmes: Annual initiative

EYCT presents the following Artistic workshops:

- Acting
- Choreography

- Directing
- Script writing
- Stage management

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

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

Current Partners of SAST in these programmes

- Tshwane University of Technology

Areas or communities Serviced by SAST EYCT Department 2024/2025

- Greater Tshwane Metropolitan Area – Atteridgeville; Mabopane; Hammanskraal; Soshanguve; Mamelodi, Bronkhorspruit
- Ekurhuleni Metropolitan Area – Daveyton, Thembisa

During the 2024/25 financial year, fifteen (15) groups participated in the MCO programme. The following table provides a list of the groups and the related productions presented.



MCO Productions 2024/25

Name of Group	Name of Production
Lekwetji Productions	The Letter "F"
Inner CHANGE Creatives	Doomsday
Udumo Entertainment	Death of the Queen
The Rooted Twins	The Possible Grave
Together As One Youth Movement	Isililo seNdlovukazi
Hana Hearts Productions	Kedibone
Limitless	Sindy's Rainbow Dream
Afrika Entle Theatre Workshop	The Calabash runs dry
Massive Artistic Creations	The Watcher
Thuto Masedi Foundation	Time Travel
Banareng Theatre E	Omama Bomthandazo
Greater Hammanskraal	My Crazy Uncle
DAYVID Entertainment	Mogozi
The Horizons Academy of Arts	Tsa Lefatshe "In the Midst of Thorns, a Flower Blooms"
Golden Future Faces	Harmony in Our Hearts

SCHOOL SET-WORKS PROGRAMME 2024/2025

Description

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

Function

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

School Set-works presented

The following set-work productions were presented during the 2024/25 financial year.

Production	Date
Ubhuku Lwamange	09-Apr-24
Sophiatown	22-Apr-24
My Children! My Africa!	06-May-24
My Children! My Africa!	07-Mar-25



13. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consisted of the members listed hereunder and met not less than four times per annum as per its approved terms of reference. During the current year, seven meetings were convened and attended as follows:

MEMBER NAME	DATE APPOINTED	MEETINGS ATTENDED
V Ndlovu (Independent External Chairperson)	01/06/2019	7/7
T Rochussen (Independent External Member)	03/12/2020	7/7
Z Nkosi (Independent External Member)	03/12/2020	6/7
S Maharaj (Council Member)	09/12/2020	2/7
Dr MJ Ndlovu (Council Member)	08/02/2018	6/7
L Monama (Independent External member)	01/07/2022	4/7

In addition to the above members, persons who attended the committee meetings by standing invitation include:

- Chief Executive Officer,
- Chief Financial Officer,
- ITC Chairperson
- Representatives from the Auditor-General South Africa (AGSA), and
- Representatives from the Internal Auditors

Audit and Risk Committee responsibilities

The Audit and Risk Committee reports that it had adopted appropriate formal terms of reference as its audit committee charter, had regulated its affairs in compliance with this charter and had discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls was designed to provide cost-effective assurance that assets were safeguarded and that liabilities and working capital were effectively managed, in line with the PFMA and the King IV Report on Corporate Governance requirements. From the various Internal Auditors' reports, the Audit Report on the annual financial statements, and the management report of the AGSA, it was noted that the control environment was adequate and effective, although some improvements were recommended in supply chain management and asset management. The audit results for SAST



remain unchanged, with the entity maintaining an unqualified audit opinion. There were no material findings relating to consequence management, revenue management or expenditure management, and the Auditor-General did not identify significant internal control deficiencies in financial recordkeeping, financial statement preparation or related business processes. The areas that AGSA included in their compliance engagement was; Annual financial statements, performance report and annual reports; consequence management; revenue management; expenditure management; procurement and contract management; strategic planning and performance management.

Internal Audit

Internal Audit provided the Audit and Risk Committee and management with assurance that the internal controls were appropriate and effective. This was achieved through a risk management process as well as the identification of corrective actions and suggested enhancements to the controls and processes. The Internal Auditors included the following areas in the Annual Internal Audit Coverage Plan:

- Supply Chain Management and Contract Management.
- Asset Management
- Review of the 2024/25 Annual Performance Report.
- Internal Financial Controls

- Review of the 2024/25 Annual Financial Statements.
- Corporate Governance and POPIA (deferred)
- Sales and Marketing Review (deferred)
- Human Resource Review.(deferred)

The Committee was satisfied that Internal Audit had discharged its functions objectively and with independence in compliance with its plan.

Risk Management

The Committee was responsible for the oversight of the entity's risk management activities. Strategic and operational risk assessments were conducted for the year under review. The Committee have reviewed the risk management process on a quarterly basis, made recommendations for the improvements thereof.

In-year reports and Compliance

The Committee had:

- Reviewed the quarterly financial management and performance reports submitted to the Department of Sport, Arts and Culture and to National Treasury in terms of the PFMA and Treasury Regulations.
- Reviewed the policies and procedures to ensure alignment and compliance with applicable laws and regulations.

The Committee was satisfied with the compliance with legislation, regulations and policies as well as



the quality of the in-year reports that were presented at the Committee meetings.

Evaluation of annual financial statements

The Audit and Risk Committee had:

- Reviewed and discussed the annual financial statements to be included in the annual report, with the AGSA and the Accounting Authority;
- Reviewed the AGSA's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entities compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

Auditor-General South Africa (External Auditors)

The Committee had reviewed the entity's implementation plan for audit issues raised in the prior year and was satisfied that the matters had been adequately addressed or resolved.

The Committee was satisfied with the independence and objectivity of the Auditor-General South Africa.

The Committee also approved the audit strategy and acknowledged the contents of the engagement letter presented by the AGSA.

Conclusion

The Committee has agreed with and accepted the report on the annual financial statements from the Auditor-General of South Africa.

The ARC, in the execution of its mandate and responsibilities, remains committed and aligned to support and assist DSAC and the SAST in achieving its strategic plan and objectives.

Activities planned, advised and conducted by the ARC was sensitive to and considered the impact it may potentially have on the future strategic direction of the SAST including the envisaged amalgamation.

Signed on behalf of the Audit and Risk Committee:

Ms. V Ndlovu

Chairperson of the Audit and Risk Committee

South African State Theatre

31 August 2025



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

The annual B-BBEE verification for the 2023/24 financial year was conducted during the 2024/25 financial year. SAST received a rating of non-compliant contributor, with an overall score of 44.51, which reflects an improvement from 29.84% in the prior year, for the four measured elements of Management Control, Skills Development, Enterprise and Supplier Development, and Socio-Economic Development. SAST is not measured against the element of Ownership, since it is a public entity. A B-BBEE improvement plan was implemented during the 2024/25 year. The areas that have been identified for improvement include:

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

The 2024/25 budget provided a minimum of 1% spending on skills development. Providing cashflow allows, training will be implemented accordingly and will contribute to improving the B-BBEE score.

The following table has been completed in accordance with the compliance with the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

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

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



PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

This report provides an overview of the Human Resources (HR) functions and initiatives undertaken during the financial year under review. It highlights the strategic priorities set to enhance workforce effectiveness and the overall organizational performance, reflecting our commitment to fostering a skilled, motivated, and capable workforce.

Throughout the year, HR focused on key areas including workforce planning, recruitment, and retention strategies aimed at attracting talent aligned with the entity's goals. We implemented a robust employee performance management framework to ensure continuous development

and accountability, alongside comprehensive wellness programmes designed to promote employee health and well-being.

Policy development remained a cornerstone of our efforts, ensuring compliance with regulatory requirements and adapting to the evolving needs of the workforce. This report also celebrates significant achievements made in advancing HR goals, while transparently addressing the challenges encountered.

Looking ahead, the report outlines future HR plans and goals intended to further strengthen our human capital management, positioning the entity for sustained success and resilience in an ever-changing public sector landscape.



2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel related expenditure

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Programme 1	138 364	38 202	28%	98	390
Programme 2	11 123	13 932	125%	31	449
Programme 3	326	1 626	499%	2	813

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee
Top Management	6106	11.4%	3	2035
Senior Manager	6243	11.6%	7	892
Professional Qualified	3125	5.8%	4	781
Skilled	19221	35.8%	34	565
Semi-skilled	5840	10.9%	16	365
Unskilled	13225	24.6%	67	197

53760

131



Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	None	None	None
Senior Management	None	None	None
Professional qualified	None	None	None
Skilled	None	None	None
Semi-skilled	None	None	None
Unskilled	None	None	None
TOTAL	None	None	None

Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Administration	38 202	24	0.06%	21	1
Business Development	13 932	19	0.14%	12	2
Public Engagement	1 626	10	0.62%	1	10



Employment and vacancies

Programme/activity/objective	2023/2024	2023/2024	2023/2024	2024/2025	% of vacancies
	Approved Posts	No. of Employees	Vacancies	Vacancies	
Administrator	1	0	1	x1	100%
EYCT Coordinator	1	0	1	x1	100%
EYCT Officer	1	0	1	x1	100%
Senior TSM	1	0	1	x1	100%
Stage Technician	1	3	1	x1	33%
Senior Light	1	0	1	x1	100%
Lighting Assistants	2	0	2	x2	100%
Senior Sound Engineer	1	0	1	x1	100%
Sound Technician	5	3	2	x4	40%
Sound Assistants	2	0	2	x2	100%
Mechanist	4	2	2	x2	50%
Décor Coordinator	1	0	1	x1	100%
Wardrobe Mistress	1	0	1	x1	100%
Technical stage Assistants	4	0	4	X4	100%
Laundry/seamstress	1	0	1	X1	100%
FOH Administrator	1	0	1	X1	100%



Programme/activity/objective	2023/2024	2023/2024	2023/2024	2024/2025	% of vacancies
	Approved Posts	No. of Employees	Vacancies	Vacancies	
Switch board operator	1	1	1	x1	100%
Senior Manager SCM	1	0	1	x1	100%
Asset Controller	1	0	1	X1	100%
Assistant Accountant	1	0	1	X1	100%
ICT Manager	1	0	1	x1	100%
ICT Administrator	1	0	1	x1	100%
HR Officer(HRM Specialists)	1	0	1	x1	100%
PR & Marketing Manager	1	0	1	x1	100%
Graphic Designer	1	0	1	x1	100%
Junior Graphic Designer	1	0	1	X1	100%
Publicist	1	0	1	x1	100%
Sales Consultants	4	2	2	x3	100%
Senior Manager Maintenance	1	0	1	x1	100%
HSS Manager	1	0	1	x1	100%
Driver	2	1	1	x2	100%
Refrigeration/Aircon Technician	1	0	1	x1	100%
Aircon Artisan	1	0	1	x1	100%



Programme/activity/objective	2023/2024	2023/2024	2023/2024	2024/2025	% of vacancies
	Approved Posts	No. of Employees	Vacancies	Vacancies	
Mechanical Assistant	1	0	1	x1	100%
Electrician	2	1	1	x1	100%
Electrical/Electronic Technician	1	0	1	x1	100%
Plumber Artisan	1	0	1	x1	100%
Lampman	3	2	1	x1	33.3%
Security Supervisor	0	0	0	x2	100%
Security officer	0	0	0	x5	11.6%
Carpenter Artisan	1	1	0	x1	100%
General Worker	0	0	0	x1	10%
Financial Accountant	1	1	0	x1	100%
Senior Admin Officer Tender	1	1	0	x1	100%
SCM Officer	1	1	0	x1	100%

The high vacancy rate in 2024/2025 was primarily due to the amalgamation of DSAC entities and the National Treasury's moratorium on filling posts. These challenges disrupted recruitment efforts and negatively affected operations across several departments.

With the moratorium now lifted, the organisation will initiate the advertising and filling of budgeted vacancies, prioritising critical positions to restore capacity and enhance efficiency. A phased recruitment approach will be adopted to align staffing with strategic objectives and ensure operational stability moving forward.



Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	0	3
Senior Management	7	0	0	7
Professional qualified	4	0	0	4
Skilled	35	0	3	34
Semi-skilled	18	2	5	16
Unskilled	0	68	6	67
Total	67	70	14	131

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0.0%
Resignation	10	71.4%
Dismissal	3	21.4%
Retirement	1	7.1%
Ill health	0	0.0%
Expiry of contract	0	0.0%
Other	0	0.0%
Total	14	100%

During the reporting period, a total of 14 employees exited the organisation from a total staff complement of 131, resulting in a turnover rate of 10.7%.

Management is not concerned, as most resignations occurred for reasons already known to the employer and are not considered a reflection of internal organisational issues.

These staff movements present an opportunity to strengthen the organisation's internal capacity and bring in new talent aligned with evolving strategic goals. The exits also provide a chance to reassess workforce needs and improve on areas such as succession planning, skills development, and employee engagement. Overall, the organisation remains committed to building a stable, motivated, and high-performing workforce that can effectively support its mission and long-term sustainability.



Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	1
Dismissal	3

Equity Target and Employment Equity Status

STAFF DEMOGRAPHICS										
	Coloured		Indian		White		African		Total	
CATEGORY	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Top Management	0	0	0	0	0	1	2	0	2	1
Senior Management	0	0	1	0	0	0	3	3	4	3
Professionally qualified and experienced specialists in mid-management	0	0	0	0	0	0	2	2	2	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	0	0	0	1	0	16	12	22	12
Semi-skilled and discretionary decision making	0	1	0	0	1	0	8	6	9	7
Unskilled and defined decision making	0	5	0	0	0	0	33	29	33	34
	0	0	0	0	0	1	28	8	28	9
Persons with Disabilities	0	0	0	0	0	0	3	1	3	1
Interns	0	0	0	0	0	0	2	4	2	4
Total	5	6	1	0	2	1	97	65	105	73



EMPLOYMENT EQUITY YEAR FOUR PROGRESS REPORT

TIMEFRAMES (e.g.)	OBJECTIVES	Progress Report
YEAR 4	Increase representativity of designated employees (woman and people living with disabilities) at senior levels and across the entity. Ensure that employees with disabilities receive the necessary support and care.	One female at the Executive level. Four females at the Senior Management level. Four persons living with disabilities, plus one volunteer living with a disability. Additionally: A kitchen setup was created in the office of an employee living with a disability to ensure ease of access. Ergonomic office furniture was procured for an employee with a spinal cord disability.
01 April 2024		
31 March 2025	Identify and train employees from the under- represented designated groups for appointments in the levels where an under- representation of race and gender has been identified	The Skills Development Training Plan will be aligned with the Workplace Skills Plan and the EE Plan.

Barriers to affirmative action measures

CATEGORIES	BARRIERS	AFFIRMATIVE ACTION MEASURES	TIME FRAMES		STATUS REPORT
			START DATE	END DATE	
Advertising positions	Disability not included on selected job adverts.	Review, and include disability, in targeted statements on job adverts. Approach organizations / recruitment agencies	01/04/2024	31/03/2026	Partnerships have been established with DWDE, Bradshaw Le Roux, and Clockwork. We have also registered on the Department of Employment and Labour's database to support our efforts in recruiting and attracting individuals with disabilities. This is ongoing.
Job classification and grading	Staff placed in incorrect job levels	Implement job grading to rectify job levels. Draft a salary level schedule for different levels.	01/04/2024	31/03/2025	The procurement of a service provider for job grading is in progress through the SCM office.
Work environment and facilities	SAST building not compliant for wheelchair access.	Make special arrangement for employees living with disabilities to access the building.	01/04/2024	31/03/2026	A provision has been made for these employees to use the loading bay as an accessible entry point to the building.
Retention of designated groups	Low salaries that are not market-related.	Implement the remuneration benchmark results.	01/04/2024	31/03/2026	Subject to budget availability
Budget allocation in support of employment equity goals	Limited budget	Reasonable budget must be allocated for human resources to address all EE goals	01/04/2024	31/03/2026	Although there is no specific line for Employment Equity in the budget, Finance has been supportive in ensuring that EE goals are supported and adequately funded.
Succession & experience planning	Lack of mentorship programs for women and persons living with disabilities	Develop and implement a mentorship programme and Succession Planning procedure.	01/04/2025	31/03/2026	To be implemented in the first quarter 2025/26 financial year.



Employment Equity Plan progress (Year 4 – 2024/2025)

Occupational Levels	Total Females				23/24	24/25	Total no people with disabilities	
	A	C	I	W			23/24	24/25
Top management	0	0		1	1	1	2	4
Senior management	3	0	0	0	3	3		
Professionally qualified and experienced specialists and mid-management	2	0	0	0	2	2		
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	12	0	0	0	12	12		
Semi-skilled and discretionary decision making	6	1	0	0	7	7		
Unskilled and defined decision making	29	5	0		0	34		
Temporary employees	8	0	1	0	36	9		
Interns	4	0	0	0	4	4		
TOTAL	64	6	1	1	65	72	2	4

Employment Equity Plan Summary

Due to challenges related to the amalgamation of DSAC entities and the National Treasury's freeze on recruitment, management requested a two-year extension of the Employment Equity Plan beyond its original end date of 31 March 2024. Despite uncertainty around the future workforce structure, the organisation remained committed to fulfilling its obligations under the Employment Equity Act.

Key overall Targets (Set Amid Uncertainty):

- Increase representation of women at all levels
- Appoint persons with disabilities
- Improve racial diversity within existing demographics

Progress Achieved:

- More women hired across the institution, including in male-dominated departments such as the Stages Department, and in executive and management roles
- The number of employees with disabilities increased from 2 to 4
- Racial representativity improved, contributing to a more diverse and inclusive workforce

Main Barrier:



- A recruitment freeze in the third year of the plan affected implementation and slowed progress toward numerical targets

Despite these constraints, the organisation achieved notable progress and remains dedicated to advancing employment equity and compliance during the extended plan period.

Contribution of the Human Resources Department within the SAST

The Human Resources Department at the South African State Theatre (SAST) has made critical contributions during the 2024/2025 financial year, reflecting its continued strong governance, compliance, transformation, and workforce development.

Achieving a clean audit for another consecutive year was a key milestone for the HR Department.

This clean audit reflects the department's dedication to ethical conduct, transparency, and sound human capital management, contributing to the credibility and operational excellence of the SAST.

Advancing Employment Equity and Transformation

Aligned with national transformation imperatives, the SAST has delivered tangible progress in creating a more inclusive and representative workplace:

- **Disability Inclusion:**

The number of employees with disabilities increased from two to four. The SAST also ensured workplace adjustments, including ergonomic furniture and accessible kitchen facilities, to support staff living with disabilities.

- **Gender and Ethnic Diversity:**

Recruitment strategies focused on increasing female representation, particularly in historically male-dominated roles. Additionally, the organisation saw improved ethnic diversity across new appointments, strengthening workforce transformation.

- **Support for Interns and Learners**

SAST expanded opportunities for interns and learners, contributing meaningfully to skills development and youth empowerment. This aligns with national priorities for growing the future workforce.

The HR Department's clean audit, paired with measurable gains in equity, inclusion, and workforce development, reflects a year of significant progress and strategic impact. The department has solidified its role as a key enabler of organisational transformation and remains committed to advancing a diverse, skilled, and compliant workforce at the SAST.



PART E: PFMA COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	186 822	182 257
Adjustment to opening balance	-	436
Opening balance as restated	186 822	182 693
Add: Irregular expenditure confirmed	3 740	4 473
Add: Irregular expenditure under assessment and confirmed	-	7 539
Less: Irregular expenditure not condoned and removed	(1 690)	(7 884)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	188 871	186 822

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	-	7 539
Irregular expenditure that relates to the prior year and identified in the current year	-	436
Irregular expenditure for the current year	3 740	4 473
Total	3 740	12 448



b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	7 539
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	5	-
Total	5	7 539

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	1 690	7 884
Total	1 690	7 884

Irregular expenditure, which was not condoned, was presented to Council, including the reasons for not condoning by National Treasury. Council assessed irregular expenditure and made a decision to remove it.

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	-	-



f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2024/2025	2023/2024
	R'000	R'000
None	-	-

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Non-compliance with TR16A3.2 and TR16A6.3 (a)&(b). Nonadherence when evaluating bidders on compulsory requirements. – Disciplinary steps were taken, and the employee resigned prior to the disciplinary process could be finalised.
Non-compliance with PFMA SCM Instruction No. 03 of 2021/2022, no variation was done in accordance with the Instruction Note – Disciplinary steps were taken, and the employee resigned prior to the disciplinary process could be finalised.
Goods purchased were made in contravention of the PFMA SCM Instruction No. 03 of 2021/22 - No signed SBD forms. No disciplinary action was taken.
Insufficient Justification & Evaluation for Artistic Deviations in Procurement. No disciplinary action was taken.



1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	25 247	27 454
Adjustment to opening balance	-	-
Opening balance as restated	25 247	27 454
Add: Fruitless and wasteful expenditure confirmed	23	139
Less: Fruitless and wasteful expenditure recoverable	(32)	(60)
Less: Fruitless and wasteful expenditure not recoverable and written off	(25 023)	(2 285)
Closing balance	215	25 247

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		
Fruitless and wasteful expenditure for the current year	23	139
Total	23	139

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-



c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	215	110
Total	215	110

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	25 023	2 285
Total	25 023	2 285

Fruitless and wasteful expenditure, was presented to Council, including the reasons for not recovering the amounts. Council assessed the fruitless and wasteful expenditure and made a decision to write it off.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Interest charged on late payments to City of Tshwane. The amount has been recovered after year end
Interest and penalties were charged by SARS for December 2023 and February 2024 returns. The total amount paid did not include all the employees. The full amount for both years have been recovered.
Bank account details of an employee were changed by the payroll officer to the employee's old bank account number. The salary was then paid into the old bank account, which is in debt. SAST had to pay the salary of the employee as it was not due to his action that the salary was paid into the wrong bank account. The payroll administrator received a final written warning and the amount was paid back by the bank after year end.



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

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
None	-	-

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
None	-	-

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
None	-	-

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
None	-	-



2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	1032	59 369
Invoices paid within 30 days or agreed period	864	47 798
Invoices paid after 30 days or agreed period	168	14 372
Invoices older than 30 days or agreed period (unpaid and without dispute)	15	1 254
Invoices older than 30 days or agreed period (unpaid and in dispute)	n/a	n/a
<i>Cash flow constraints experienced during the year due to current economic conditions within the country, which resulted in a decline in ticket sales.</i>		

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Repair and waterproofing of Arena, Drama, Opera and Office block	Con-Solve Civils CC	Deviation	POR017236	4 953
Ledvance duluxstar 14W energy saver, Eurolux par38 18W cfi cool white	ARB Electrical Wholesales	Deviation	POR017239	40
1 year service, repairs and maintenance	DWR Distribution CC	Deviation	POR017245	7
Lumen Radio RX RDM - Repairs and Service	DWR Distribution CC	Deviation	POR017246	4
Sophiatown Costume Procurement	Mlamla Management Services	Deviation	POR017247	10
LE Maître MVS - Broken MVS Tubbe replaced serviced, cleaned and	DWR Distribution CC	Deviation	POR017249	3



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
tested				
La Couctics LA4X - Repairs and Service	DWR Distribution CC	Deviation	POR017250	35
My Children! My Africa!	National Childrens Theatre Trust	Deviation	POR017254	300
Repairs and service: Sennheiser SK 100	Prosound (Pty) Ltd	Deviation	POR017259	3
Repairs and maintenance: Electro voice	Prosound (Pty) Ltd	Deviation	POR017260	36
Structural repairs	Con-Solve Civils CC	Deviation	POR017262	5 268
Projector repairs	Questek Advanced Technology (Pty) Ltd	Deviation	POR017277	135
Lamp replacement	DWR Distribution CC	Deviation	POR017278	108
Public Safety System	Sysman Public Safety (Pty) Ltd	Deviation	POR017287	140
Correction of POR017186	The Legal Laboratory	Deviation	POR017288	95
My Children! My Africa!	National Childrens Theatre Trust	Deviation	POR017294	22
Printer repair - Chairperson of Council	Umsuka IT Solutions	Deviation	POR017295	6
Editing & Mixing Stereo masters	Sithembinkosi Dadson Loyiso Holdings (Pty) Ltd	Deviation	POR017298	36
Advertising on street poles in Pretoria	Adreach	Deviation	POR017301	49
Annual subscription for 12 months	Soundalite CC t/a Artslink	Deviation	POR017312	9
Full service of Lemaitre mvs hazer, Robin 600 LED	DWR Distribution CC	Deviation	POR017314	41



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
wash, LED force and Robin MMX Spot				
Bluepinch GX9.5 240 V 1000W Bluepinch Phillips, HX800 G9,5 240V 800W lamps GE Osram	DWR Distribution CC	Deviation	POR017315	267
Production Fee: Ka Lebitso La Moya	Bonono Kreativez	Deviation	POR017316	673
Production Fee: Born Free YEF	Monumental Acts (Pty) Ltd	Deviation	POR017320	50
Repair and Service of MAC101	Electro Sonic CC	Deviation	POR017332	8
1 year service, repairs and maintenance agreement for stages equipment under Electrosonic Distribution	Electro Sonic CC	Deviation	POR017334	161
Production fee: In Full Bloom - The Seed	African Orchid Productions (Pty) Ltd	Deviation	POR017343	150
Legal representation at Labour Court - Mr Ndala Matter, hourly rate	The Legal Laboratory	Deviation	POR017354	3
Thaba Bosiu for Sound design and engineering	Sithembinkosi Dadson Loyiso Holdings (Pty) Ltd	Deviation	POR017362	40
Production fee	Ningizim Arts (Pty) Ltd	Deviation	POR017363	320
Tshwane Legends - Rudolph Mamabolo Live in Concert	Marusera Investment Holdings (Pty) Ltd	Deviation	POR017372	30



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Black Labone Earthday	Black Labone	Deviation	POR017378	100
Production fee	Hlogii Sehowa Productions and Projects (Pty) Ltd	Deviation	POR017387	150
Lifted Performance for DSAC Staff Meeting	Sebeitainment Production	Deviation	POR017389	43
Production Fee - The Playroom - YEF	Bread Productions (Pty) Ltd	Deviation	POR017394	60
In Full Bloom - The Seed, Musical Video Shoot	Bearleii Sober Visuals (Pty) Ltd	Deviation	POR017395	26
Incubator Mentorship	Thamaga Productions NPS	Deviation	POR017402	40
Amawombe - Kucheza Afrika Festival 2024	Momumental Acts (Pty) Ltd	Deviation	POR017416	155
Service and Repairs of Evolve 50	Prosound (Pty) Ltd	Deviation	POR017417	19
Service and Repairs of Electro-Voice ELX200 and Electro-Voice Evolve 50	Prosound (Pty) Ltd	Deviation	POR017418	13
Service and Repair: MOD-DMI-MADI-B DMI Madi BNC Option Module	DWR Distribution CC	Deviation	POR017420	14
Service and Repair: HMI1200WHMI 1200 W GS DE, BO1HTI 200W/60/P50 LOK-IT	DWR Distribution CC	Deviation	POR017422	208
Journey to the South Set Design - Incubator	Jonga Creations NPC	Deviation	POR017428	50
Divine Interventions - Vavasati International Festival 2024	Corpus Dance Project	Deviation	POR017429	50



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
1 Year service, repairs and maintenance agreement for stages equipment under Prosound Distribution.	Prosound (Pty) Ltd	Deviation	POR017432	35
Production Fee - Street Taxi Named Desiree	Emela Films (Pty) Ltd	Deviation	POR017440	300
Production fee for Spirit of Malombo Concert	Malombo Jazz Makers	Deviation	POR017450	50
Repairs and maintenance of Robert Juliat HMI 1200 and Robert Juliat A6 1200 followspot lights	DWR Distribution CC	Deviation	POR017460	7
Repairs and service of 4x Le-Maitre MVS Hazers	DWR Distribution CC	Deviation	POR017461	6
Repairs and service of Electro-Voice, ELX200-18SP and Evolve 50	Prosound (Pty) Ltd	Deviation	POR017464	18
Production fee for Trilogy Masai Sepuru	Jonga Creations NPC	Deviation	POR017472	300
36 months printer rental	Itec Tiyende	Deviation	POR017478	216
Copy charges	Itec Tiyende	Deviation	POR017480	-
Midas Pro1 Reload software, dead screen, Midas DL 251 Service Unit	Bespoke Entertainment Solutions	Deviation	POR017482	17
Employee wellbeing - 4x SCM officials	ICAS Southern Africa (Pty) Ltd	Deviation	POR017486	26
Production fee of Metsi - Touring to Lagos	Sketch Productions	Deviation	POR017492	349



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
International Theatre Festival 12 - 18 November 2024				
Pest Control	Alpha Mix Pest Control & Hygiene Services	Deviation	POR017495	29
Courier service for the Chairperson's printer, shipping back to Pretoria	Umsaka IT Solutions	Deviation	POR017496	1
Supply and installation of fabric-printed backdrop covering	3ML Events Management CC	Deviation	POR017509	106
Band and vocalists performance at the SAST TV Launch	Sebeitainment Production	Deviation	POR017510	283
Paid for services rendered on all social media campaigns, live trends on 30 November 2024 until 1 December 2024	Melly Music	Deviation	POR017517	14
Mzansi Fela Music Concert Zoe Modiga	Banda Banda Agency	Deviation	POR017521	184
Service and repairs of Le- Maitre MVS Hazer	DWR Distribution CC	Deviation	POR017529	12
Service and repairs of Robin BMFL Blad - Serial: 1200337908	DWR Distribution CC	Deviation	POR017530	7
Dancers rehearsal fee for 7 dancers, riginal composition soundtrack,	Nicola Haskins t/a The Matchbox	Deviation	POR017531	56



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
set design and construction and costume design and construction				
Service and repairs of Robin 600 LED Wash, Serial: 1100329499	DWR Distribution CC	Deviation	POR017532	7
Performance fee within the production Changing the Game at the SAST TV Launch	Thathas Legacy Initiatives NPC	Deviation	POR017533	68
Interpretor with sign language	SASL Interpreters	Deviation	POR017534	33
SAST TV Launch Recording	Francesco Biagini	Deviation	POR017535	82
Rocket Bass Speakers	Bafuwi Projects and Services	Deviation	POR017547	115
SAST TV Launch Photography and Videography	Lushaz Production CC	Deviation	POR017549	10
Appointment of the service provider to remove the existing parking system, and supply, install and commission and maintain a new parking system at the SAST.	Servest	Deviation	POR017550	4 619
Performance role within the production Changing the Game at the SAST TV	True African Gods	Deviation	POR017554	15



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Launch				
Additional gear for SAST TV launch after original PO was issued	DB SPL Productions	Deviation	POR017555	87
3D signage - To fabricate letter A on SAST TV Logo and to fabricate letter A on Mobile SAST TV Signage	Metrographix	Deviation	POR017556	5
Nexo Amplifier Repairs	Sound Stylists Productions (Pty) Ltd	Deviation	POR017559	34
IMQS verification app renewal 1 Jan 25 - 31 Dec 25 (asset verification software)	IMQS Software (Pty) Ltd	Deviation	POR017560	141
IYE - Incubator	Hlogii Sehowa Productions and Projects (Pty) Ltd	Deviation	POR017572	30
Dear Kaffy Production	BAP Productions and Entertainment	Deviation	POR017574	400
Macbook for hire X1	BlackSmith Lovender (Pty) Ltd	Deviation	POR017577	14
Dancers rehearsal fee for 7 dancers, original composition soundtrack, set design and construction and costume design and construction	Nicola Haskins t/a The Matchbox	Deviation	POR017580	56
Smartie and Buddy	Black Lotus Projects	Deviation	POR017581	100



Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Production fee				
Umthombo & Baobab Double Bill - Kucheza Africa Festival	Moving into Dance Mophatong Trust	Deviation	POR017589	150
Kucheza Afrika Festival - Linked	Body Ability	Deviation	POR017590	80
Circuit breaker	ARB Electrical Wholesales	Deviation	POR017597	63
Consultation fees for K. Modise's case	The Legal Laboratory	Deviation	POR017598	-
Consultation fees for C. Manyoni's case	The Legal Laboratory	Deviation	POR017599	-
Service and repair of Robin MMX Spot Serial Number 1200337907	DWR Distribution CC	Deviation	POR017602	4
Service and repair of MA ONPC Command Wing, 2X Dell Inspiron One, MA ONPC Command Wing	DWR Distribution CC	Deviation	POR017603	3
Service and repair of LED 600 wash X2	DWR Distribution CC	Deviation	POR017604	17
YEF - Nyoni Lenhle Live Production Fee	Nyoni Enhle Trading and Projects	Deviation	POR017605	70
Fiber line for 12 months	VOX Telecommunications (Pty) Ltd	Deviation	POR017610	58
Total				22 015



3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Mimecast MSP Email Security continuity	VOX Telecommunications (Pty) Ltd	Expansion	POR017244	338	-	47
Tenant matters - Follow up	Burden Swart & Botha Inc	Expansion	POR017275	31	-	21
Overseering structural repairs contract	ATI Africa consulting Engineers (Pty) Ltd	Expansion	POR017286	500	-	130
Tenant matters - Follow up	Burden Swart & Botha Inc	Expansion	POR017365	31	-	95
Microsoft 365 Education A5 Licence for 30 days extension	MTN Service Provider (Pty) Ltd	Expansion	POR017434	459	-	32
Internal audit services	Ubuntu Business Advisory and Consulting (Pty) Ltd	Expansion	POR017441	1 518	-	401
Variation 1 and 2 - Emergency Projects - Waterproofing	Con-Solve Civils CC	Expansion	POR017447	4 953	-	1 279
Webhosting extension period May -	DiaMatrix CC t/a Domains.co.za	Expansion	POR017458	22	-	3 295.00



Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
September 2024						
Structural Engineers oversee construction phase of emergency projects. 1 month extension	ATI Africa Consulting Engineers (Pty) Ltd	Expansion	POR017474	500	130	98
Total						2 105



PART F: FINANCIAL INFORMATION



1. REPORT OF THE EXTERNAL AUDITOR

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African State Theatre set out on pages 132 to 186, which comprise the statement of financial position at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 South African State Theatre as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2024 have been restated because of errors in the public entity's financial statements at, and for the year ended 31 March 2025.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA and



for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 127 forms part of my auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to Programme 2: business development presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of in-house festivals staged
 - Number of school set-works staged
 - Number of in-house productions staged
 - Number of short-term job opportunities created in in-house productions
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.



15. I performed procedures to test whether:

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

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement.

Report on compliance with legislation

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

21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa



(AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. 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

28. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
29. I did not identify any significant deficiencies in internal control.



Other reports

30. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
31. The Directorate for Priority Crimes Investigation (the Hawks) is prosecuting a case of fraud over allegations of fraud amounting to R24 million, which was identified in the 2019 financial year. The matter is currently under consideration with the high court.
32. A deposit of R150 000 was made into the bank account of the South African State Theatre on 31 March 2023 and was flagged for review. Upon investigation, the transaction was deemed fraudulent and was referred to the Hawks for criminal investigation. The funds are being held in the public entity's bank account until the conclusion of the investigation.

Auditor General

Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the International Standards on Auditing, 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 material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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



- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections, paragraphs or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56 Section 57(b) Section 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a) Regulation 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; Regulation 16A.7.1; 16A.7.3; 16A.7.6 Regulation 16A8.3; 16A8.4 Regulation 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1. Regulation 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3 Resolution 32.1.1(a); 32.1.1(b); 32.1.1(c) Resolution 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17 Regulation 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury instruction No. 5 of 2020/21	Paragraph 4.8; 4.9 Paragraph 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Supply Chain Management (SCM) Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 3 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17 Paragraph 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Preferential Procurement Policy Framework Act 5 of 2000	Section 1 Section 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.6; 6.8 Regulation 7.1; 7.2; 7.3; 7.6; 7.8 Regulation 8.2; 8.5 Regulation 9.1 Regulation 10.1; 10.2 Regulation 11.1; 11.2



Legislation	Sections, paragraphs or regulations
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 3, paragraph 4(1)



2. ANNUAL FINANCIAL STATEMENTS



The South African State Theatre
Annual Financial Statements
for the year ended 31 March 2025



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Schedule 3A Public Entity
Nature of business and principal activities	Theatre - Presentation of theatre productions and performing arts.
Members	Professor Fikile N.M. Mazibuko (Chairperson) (Term ended 8 December 2024) Dr. M.J. Ndlovu (Deputy Chairperson) (Term ended 8 December 2024) Ms. V. Ndlovu (Independent Audit and Risk Committee Member) Mr. S. Maharaj (Term ended 8 December 2024) Mr. G. Masokoane (Term ended 8 December 2024) Dr. L.L. Nawa (Term ended 8 December 2024) Ms. G.Z. Nkosi (Independent Audit and Risk Committee member) Mr. T.J. Rochussen (Independent Audit and Risk Committee member) Adv. K.P. Thango (Term ended 8 December 2024) Mr. A. Latchu (Independent Information and Communication Technology Strategic Committee Chairperson) Mr. M.J. Siziba (Independent Information and Communication Technology Strategic Committee member) (Appointed 1 October 2024) Ms. V. Nayagar (Independent Information and Communication Technology Strategic Committee member) (Term ended 9 April 2024) Ms. S.C. Mtshali (Independent Finance Committee member) (Term ended 31 March 2025) Mr. S.L. Monama (Independent Audit and Risk Committee member) Mr. M. Makgolo (Term ended 8 December 2024) Ms. J. Govender (Term ended 8 December 2024) Ms. N. Manana (Reappointed 9 December 2024) Mr. T.P. Molefe (Chairperson) (Appointed 9 December 2024) Ms. P. Ndlovu (Deputy Chairperson) (Appointed 9 December 2024)



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

General Information

	Ms. L. Matlala (Appointed 9 December 2024)
	Mr. Z. Gordon (Appointed 9 December 2024)
	Adv. C. Naidoo (Appointed 9 December 2024)
	Mr. E. Phiri (Appointed 9 December 2024)
	Ms. K. Kunene (Appointed 9 December 2024)
Registered office	320 Pretorius Street Pretoria 0002
Business address	320 Pretorius Street Pretoria 0002
Controlling entity	Department of Sport, Arts and Culture
Bankers	ABSA Bank
Auditors	Auditor-General of South Africa
Preparer	The annual financial statements were internally compiled by: Ms. S Viljoen Chief Financial Officer



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

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Abbreviations used:

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ASB	Accounting Standards Board
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Council	The South African State Theatre Council
DSAC	Department of Sport, Arts and Culture
GRAP	Generally Recognised Accounting Practice
HR	Human Resources Department
iGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
NT	National Treasury
PFMA	Public Finance Management Act (Act 1 of 1999)
SAST	South African State Theatre
SCM	Supply Chain Management
TR	Treasury Regulations



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Council's Responsibilities and Approval

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

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

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

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

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

The members have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

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

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements.

The annual financial statements set out on page 5 - 54, which have been prepared on the going concern basis, were approved by the Council members on 31 July 2025 and were signed on its behalf by:

Mr. T.P. Molefe
Chairperson of Council

Dr. S.M. Mkhize
Chief Executive Officer



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	9	635 162	481 987
Receivables from exchange transactions	10	3 868 217	3 999 149
Cash and cash equivalents	11	23 083 145	30 002 776
		27 586 524	34 483 912
Non-Current Assets			
Investment property	3	32 000 000	30 000 000
Property, plant and equipment	4	29 422 457	30 958 339
Intangible assets	5	2 040 562	1 636 232
Heritage assets	6	46 283 000	45 482 000
		109 746 019	108 076 571
Total Assets		137 332 543	142 560 483
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	10 737 989	10 850 265
Employee benefit obligation	8	468 000	424 000
Finance lease obligation	12	184 738	110 050
Unspent conditional grants and receipts	13	22 119 554	40 513 503
		33 510 281	51 897 818
Non-Current Liabilities			
Employee benefit obligation	8	2 373 155	2 247 000
Finance lease obligation	12	384 682	402 853
		2 757 837	2 649 853
Total Liabilities		36 268 118	54 547 671
Net Assets		101 064 425	88 012 812
Reserves			
Revaluation reserve	6	29 275 679	28 474 679
Accumulated surplus		71 788 746	59 538 133
Total Net Assets		101 064 425	88 012 812

* See Note 32



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods		5 033 458	3 450 089
Rendering of services		4 329 136	3 640 796
Rental of facilities and equipment		17 536 590	15 593 590
Sundry income		28 043	84 121
Interest received - investment		365 763	277 539
Total revenue from exchange transactions	15	27 292 990	23 046 135
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	17	99 028 017	86 552 107
Revenue in kind	18	40 723 853	30 542 889
Total revenue from non-exchange transactions		139 751 870	117 094 996
Total revenue	15	167 044 860	140 141 131
Expenditure			
Cost of sale of goods/inventory	25	3 091 646	2 070 861
Depreciation and amortisation	4&5	6 632 607	5 822 851
Employee related costs	19	53 760 437	47 256 895
Finance costs	21	79 475	135 119
General expenses	23	26 273 611	33 552 713
Movement in provision for doubtful debts (Impairment provision)	10	(116 301)	(72 063)
Operating lease	18	40 723 853	30 542 889
Production costs	20	9 069 281	13 010 391
Rental of stage equipment	16	500 710	237 336
Repairs and maintenance	22	16 314 150	4 605 492
Total expenditure		156 329 469	137 162 484
Operating surplus		10 715 391	2 978 647
Actuarial gains/losses	8	(362 364)	(335 292)
Fair value adjustments	27	2 000 000	4 376 804
Gain/(loss) on disposal of assets	4	-	290 949
Impairment of assets	4	(102 414)	(120 706)
Proceeds received as a result of fraud investigations		-	29 903
		1 535 222	4 241 658
Surplus for the year		12 250 613	7 220 305

* See Note 32



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	26 294 179	52 387 708	78 681 887
Adjustments			
Prior year error adjusting retained earnings (note 32)	-	(69 885)	(69 885)
Balance at 01 April 2023 as restated*	26 294 179	52 317 823	78 612 002
Changes in net assets			
Artwork revaluation surplus	2 180 500	-	2 180 500
Net income recognised directly in net assets	2 180 500	-	2 180 500
Deficit for the year as previously reported	-	7 376 359	7 376 359
Total recognised income and expenses for the year	2 180 500	7 376 359	9 556 859
Prior period error adjusted to statement of financial performance (note 32)	-	(156 049)	(156 049)
Total changes	2 180 500	7 220 310	9 400 810
Restated* Balance at 01 April 2024	28 474 679	59 538 133	88 012 812
Changes in net assets			
Artwork revaluation surplus	801 000	-	801 000
Net income recognised directly in net assets	801 000	-	801 000
Surplus for the year	-	12 250 613	12 250 613
Total recognised income and expenses for the year	801 000	12 250 613	13 051 613
Total changes	801 000	12 250 613	13 051 613
Balance at 31 March 2025	29 275 679	71 788 746	101 064 425

* See Note 32



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		27 537 737	21 759 536
Grants		80 634 068	83 690 897
Interest income		365 763	277 539
		<u>108 537 568</u>	<u>105 727 972</u>
Payments			
Employee costs		(53 679 938)	(47 721 568)
Suppliers		(56 294 121)	(55 558 926)
Finance costs		(79 475)	(135 119)
		<u>(110 053 534)</u>	<u>(103 415 613)</u>
Net cash flows from operating activities	24	<u>(1 515 966)</u>	<u>2 312 359</u>
Cash flows from investing activities			
Movement of property, plant and equipment (adjusted for additions not yet paid)	4	(4 959 632)	(1 553 634)
Additions capitalised to investment property	3	-	(623 196)
Purchase of other intangible assets	5	(500 550)	(474 628)
Net cash flows from investing activities		<u>(5 460 182)</u>	<u>(2 651 458)</u>
Cash flows from financing activities			
Finance lease payments		56 517	(219 891)
Net increase/(decrease) in cash and cash equivalents		<u>(6 919 631)</u>	<u>(558 990)</u>
Cash and cash equivalents at the beginning of the year		30 002 776	30 561 766
Cash and cash equivalents at the end of the year	11	<u>23 083 145</u>	<u>30 002 776</u>

* See Note 32



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Sale of goods	3 750 000	1 283 846	5 033 846	5 033 458	(388)	REF1
Rendering of services	5 054 180	-	5 054 180	4 329 136	(725 044)	REF2
Rental of facilities and equipment	14 169 080	1 932 808	16 101 888	17 536 590	1 434 702	REF3
Sundry income	35 063	38 624	73 687	28 043	(45 644)	REF4
Interest received - investment	342 130	19 880	362 010	365 763	3 753	REF5
Total revenue from exchange transactions	23 350 453	3 275 158	26 625 611	27 292 990	667 379	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	102 439 000	8 207 315	110 646 315	99 028 017	(11 618 298)	REF6
Revenue in kind	-	-	-	40 723 853	40 723 853	REF7
Total revenue from non-exchange transactions	102 439 000	8 207 315	110 646 315	139 751 870	29 105 555	
Total revenue	125 789 453	11 482 473	137 271 926	167 044 860	29 772 934	

Expenditure

Cost of sales of goods/inventory	(2 065 511)	(707 231)	(2 772 742)	(3 091 646)	(318 904)	REF8
Debt Impairment	-	-	-	116 301	116 301	REF9
Depreciation and amortisation	-	-	-	(6 632 607)	(6 632 607)	REF10
Finance costs	(149 824)	71 012	(78 812)	(79 475)	(663)	REF11
General expenses	(23 657 467)	(4 167 010)	(27 824 477)	(26 273 611)	1 550 866	REF12
Operating lease	-	-	-	(40 723 853)	(40 723 853)	REF7
Capital assets	(32 401 356)	12 757 521	(19 643 835)	-	19 643 835	REF13
Personnel	(55 059 059)	1 857 641	(53 201 418)	(53 760 437)	(559 019)	REF14
Production costs	(10 089 315)	-	(10 089 315)	(9 069 281)	1 020 034	REF15
Rental of stage equipment	(248 065)	-	(248 065)	(500 710)	(252 645)	REF16
Repairs and maintenance	(2 118 856)	(21 294 406)	(23 413 262)	(16 314 150)	7 099 112	REF17
Total expenditure	(125 789 453)	(11 482 473)	(137 271 926)	(156 329 469)	(19 057 543)	

Operating surplus

Fair value adjustments	-	-	-	2 000 000	2 000 000	REF18
Actuarial gains/losses	-	-	-	(362 364)	(362 364)	REF19
Impairment of assets	-	-	-	(102 414)	(102 414)	REF20
	-	-	-	1 535 222	1 535 222	

Surplus

	-	-	-	12 250 613	12 250 613	
Surplus for the year as per budget statement	-	-	-	12 250 613	12 250 613	

Reconciliation



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Explanations for variances

REF1 - The variance is 0.008%, which is in line with the reasonable margin of variance.

REF2 - We have experienced a significant decrease in ticket sales during the year. Some of the reasons that contributed to the decrease were the current economic climate where entertainment is not a priority for South Africans, the marketing strategy of the SAST and the close-down of productions for scheduled maintenance during the 4th quarter.

REF3 - Increase in parking income due to a longterm parking contract being extended, increase in theatre rentals and strict credit verifications on property rental assisted with the overachievement of this budget line.

REF4 - This is revenue received out of the normal course of business. The budget was based on the prior year and the trend for the current year. There is however no certainty of this revenue, as it includes access cards replaced etc.

REF5 - The variance is 1.03%, which is in line with the reasonable margin of variance.

REF6 - The difference is due to the spending on the CAPEX grant. Two tenders were awarded during the 2024/2025 financial year, but the actual outflow of funds will only be during the 2025/2026 financial year. Phase 1 of the roof and structural repairs was completed during the 2024/2025 financial year, but phase 2 will only be implemented during the 2025/2026 financial year.

REF7 - Revenue in kind and related operating lease charge of R40 723 853 is due to a lease agreement that is in place between the Department of Public Works and the Department of Sport, Arts and Culture for the building that the SAST occupies. The user charge is provided by the Department of Sport, Arts and Culture annually to the SAST and it was approved by National Treasury.

REF8 - Increase in the cost of sales of Front of House products sold was due to a new business venture, Black Labone every Thursday night where local artists perform at the SAST.

REF9 - Debt impairment was not budgeted for, as we do expect to recover all debts owed to the South African State Theatre. Each debtor was individually assessed at year end, and the amount included was deemed to be considered for impairment due to long outstanding amounts

REF10 - Depreciation and amortisation have not been budgeted for as the actual costs of procurement during the year have been budgeted for and not the write off over the period of the lifespan of the asset procured.

REF11 - The interest that is accounted for is a combination of finance lease interest on photocopiers and a motor vehicle and interest that was charged on the City of Tshwane bill. The interest charged by City of Tshwane and SAST has been included under Fruitless and wasteful expenditure, Note 36.

REF12 - General expenses were lower than budgeted due to strict cost containment measures that were implemented and substantially fewer productions during the 4th quarter.

REF13 - Capital assets have a direct link to the CAPEX spending during the year. The total expenditure funded by the capital assets projects was R20 560 571. The expenditure is not allocated to the specific line item on the Statement of Comparison of Budget and Actual Amounts, but is allocated between repairs and maintenance, property plant and equipment and depreciation.

REF14 - The variance is 1.05%, which is in line with the reasonable margin of variance.

REF15 - Production cost were lower than budgeted due to strict cost containment measures that were implemented and substantially fewer productions during the 4th quarter.

REF16 - Increase in expenses due to ageing of equipment, which require regular maintenance, and additional rental of stage equipment is required.

REF17 - Increase in repairs and maintenance due to planned maintenance during the 4th quarter, and inhouse maintenance performed during the year which is funded by CAPEX, which included the roof and structural repairs.

REF18 - The fair value adjustment on the investment property is not being budgeted for.

REF19 - The actuarial gains/(losses) on the Employee benefit obligation are not budgeted for.

REF20 - Impairment of assets is not budgeted for.

Changes between the approved budget and the final budget is due to reallocations within the budget.



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Significant account policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999) and comply with the Standards of Generally Recognised Accounting Practice (GRAP).

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

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.3 Going concern assumption

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

1.4 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

The impairment for trade receivables is calculated on an individual basis, where each receivable's payment history and steps taken to recover the amounts are taken into consideration. There is no blanket approach on debtors over 60 days, as they are reviewed on an individual basis, based on their payment history, arrangements made and collection progress.

Impairment testing

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

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

Provisions

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



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Post-retirement benefits

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

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

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

Effective interest rate

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

Debt impairment

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

Cash generating and non-cash generating assets

The entity does have both cash generating and non-cash generating assets, where cash-generating assets would be all assets used to generate all sources of revenue. Non-cash generating assets would include assets that service in the administrative building to support the supporting functions of the entity.

1.5 Investment property

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

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



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.5 Investment property (continued)

Fair value

Initial measurement

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

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

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

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

Subsequent measurement

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

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

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

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

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment are initially measured at cost.

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

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

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

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

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

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



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.6 Property, plant and equipment (continued)

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

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

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

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

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

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

Item	Depreciation method	Average useful life
Leasehold improvements	Straight-line	10 - 25 years
Motor vehicles	Straight-line	5 - 7 years
Office equipment	Straight-line	5 - 7 years
IT equipment	Straight-line	5 - 7 years
Plant and equipment	Straight-line	5 - 10 years
Leased equipment	Straight-line	3 - 5 years
Wardrobe	Straight-line	5 - 7 years

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

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

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

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

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

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

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

1.7 Intangible assets

An asset is identifiable if it either:

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



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.7 Intangible assets (continued)

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

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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

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

1.8 Heritage assets

Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.



The South African State Theatre

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Significant Accounting Policies

1.8 Heritage assets (continued)

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

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.

Recognition

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

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

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

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

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

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

Transfers

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

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

Derecognition

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

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



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Significant Accounting Policies

1.9 Financial instruments

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

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

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

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

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

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

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

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

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

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

A financial asset is:

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

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

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

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

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



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Significant Accounting Policies

1.9 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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Significant Accounting Policies

1.9 Financial instruments (continued)

Classification

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

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

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

Class	Category
Trade and other payables	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at cost

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

Impairment and uncollectibility of financial assets

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

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

1.10 Tax

Tax expenses

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

1.11 Leases

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

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



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Significant Accounting Policies

1.11 Leases (continued)

Finance leases - lessee

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

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

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

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

Operating leases - lessor

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

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

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

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

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

1.12 Inventories

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

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

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

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

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

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

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

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



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Significant Accounting Policies

1.13 Employee benefits

Identification

Employee benefits

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

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

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Termination benefits

Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

Measurement

The entity measures termination benefits on initial recognition, and measures and recognises subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

(a) If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.

(b) If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.

1.14 Provisions and contingencies

Provisions are recognised when:

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



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Significant Accounting Policies

1.14 Provisions and contingencies (continued)

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

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

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

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

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

A constructive obligation to restructure arises only when an entity:

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

1.15 Commitments

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



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Significant Accounting Policies

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

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

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

Rendering of services

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

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

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

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

Interest

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.



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Significant Accounting Policies

1.17 Revenue from non-exchange transactions

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

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

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

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

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

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

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

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

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

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

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

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

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

Recognition

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

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.



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Significant Accounting Policies

1.18 Comparative figures

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

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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

2022 PFMA Compliance and Reporting Framework, Annexure A: National Treasury Instruction No. 4 of 2022/23 states:

3.16 For determining whether fruitless and wasteful expenditure has been incurred, the following must be present -

- (a) expenditure must be made in vain; and
- (b) would have been avoided had reasonable care been exercised.

3.17 Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with one financial year comparative analysis.

3.18 Fruitless and wasteful expenditure for previous financial years (comparative amounts) must be recognised in the period in which they occurred as follows:

- (a) fruitless and wasteful expenditure incurred and confirmed in the previous financial year.
- (b) fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- (c) fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

3.19 Additional information relating to fruitless and wasteful expenditure under assessment, determination, investigations, narratives and a process of dealing with the concerned fruitless and wasteful expenditure must be recorded.



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Significant Accounting Policies

1.20 Irregular expenditure

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

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

2022 PFMA Compliance and Reporting Framework, Annexure A: National Treasury Instruction No. 4 of 2022/23 states:

3.8 For determining whether irregular expenditure occurred, the following must be present:

- (a) expenditure incurred in contravention of, or not in accordance with legislation; and
- (b) expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance). The earlier of any invoice or payment will trigger irregular expenditure for these transactions.

3.9 Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with one financial year comparative analysis.

3.10 Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- (a) irregular expenditure incurred and confirmed in the previous financial year;
- (b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year and;
- (c) irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year
- (d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

3.11 Additional information relating to irregular expenditure under assessment, determination, investigation, narratives and the process of dealing with the irregular expenditure must be recorded.

1.21 Budget information

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

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

1.22 Related parties

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

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

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

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

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

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



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Significant Accounting Policies

1.22 Related parties (continued)

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

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

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

1.23 Events after reporting date

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

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

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

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

1.24 Grants and receipts

Revenue received from conditional grants, donations and funding including interest earned from such grants are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.



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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	To be determined	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. Investment property

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	32 000 000	-	32 000 000	30 000 000	-	30 000 000

Reconciliation of investment property - 2025

	Opening balance	Fair value adjustments	Total
Investment property	30 000 000	2 000 000	32 000 000

Reconciliation of investment property - 2024

	Opening balance	Additions	Fair value adjustments	Total
Investment property	28 000 000	623 196	1 376 804	30 000 000

Pledged as security

No investment property is pledged as security for liabilities.

Details of property

The detail of the property is Erf 169, Weavind Park, Pretoria, situated at 74 Pitts Avenue, Weavind Park, Pretoria with a size of 4.5259 ha. The property is used to generate rental income for the SAST and is held at fair value. The title deed number is T32614/1968.



The South African State Theatre

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3. Investment property (continued)

Details of valuation

The effective date of the revaluations was Friday, 25 April 2025. Revaluations were performed by an independent valuer, SA Valuations. SA Valuations are not connected to the entity and have recent experience in location and category of the investment property being valued.

The investment property was valued using the Income method and depreciated replacement cost method for both 2025 and 2024. The capitalisation rate used was 12% (2024:12%).

Amounts recognised in surplus or deficit

From Investment property that generated rental revenue

Repairs and maintenance	317 239	462 213
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The South African State Theatre

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4. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold improvements	38 660 226	(22 169 102)	16 491 124	38 660 226	(19 837 235)	18 822 991
Motor vehicles	260 650	(253 515)	7 135	260 650	(249 947)	10 703
Office equipment	1 916 154	(1 572 567)	343 587	1 740 344	(1 480 218)	260 126
IT equipment	4 761 835	(2 427 248)	2 334 587	3 151 594	(2 027 333)	1 124 261
Plant and equipment	45 977 486	(36 241 323)	9 736 163	42 845 463	(32 577 148)	10 268 315
Leased equipment	813 498	(303 637)	509 861	629 257	(157 314)	471 943
Total	92 389 849	(62 967 392)	29 422 457	87 287 534	(56 329 195)	30 958 339



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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Write-off	Depreciation	Impairment loss	Total
Leasehold improvements	18 822 991	-	-	(2 331 867)	-	16 491 124
Motor vehicles	10 703	-	-	(3 568)	-	7 135
Office equipment	260 126	175 810	-	(92 277)	(72)	343 587
IT equipment	1 124 261	1 628 457	(17 609)	(397 656)	(2 866)	2 334 587
Plant and equipment	10 268 315	3 132 022	-	(3 564 698)	(99 476)	9 736 163
Leased equipment	471 943	184 241	-	(146 323)	-	509 861
	30 958 339	5 120 530	(17 609)	(6 536 389)	(102 414)	29 422 457



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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Prior period error	Disposals	Depreciation	Impairment loss	Total
Leasehold improvements	20 846 921	-	-	-	(2 023 930)	-	18 822 991
Motor vehicles	19 464	-	-	-	(6 488)	(2 273)	10 703
Office equipment	313 272	26 779	-	-	(79 476)	(449)	260 126
IT equipment	1 015 017	488 306	-	(29 409)	(349 524)	(129)	1 124 261
Plant and equipment	12 030 587	1 675 865	(69 885)	(177 592)	(3 072 805)	(117 855)	10 268 315
Leased equipment	806 655	-	-	(139 240)	(195 472)	-	471 943
	35 031 916	2 190 950	(69 885)	(346 241)	(5 727 695)	(120 706)	30 958 339

Pledged as security

No property, plant and equipment are pledged as security for liabilities 2025 (2024 Rnil) and all assets are non-current assets.

Additional Information

The leasehold improvements relate to capital expenditure incurred on the FH Odendaal Building, 320 Pretorius Street, Pretoria, 0002, owned by the Department of Public Works, Gauteng Department of Infrastructure Development.

Gain/(loss) on disposal of property, plant and equipment – included in surplus for the year

Plant and equipment	-	438 223
IT equipment	-	(8 033)
Leased equipment	-	(139 241)
	-	290 949

Assets subject to finance lease (Net carrying amount)

Lease equipment	509 861	471 943
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4. Property, plant and equipment (continued)		
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Repairs and maintenance	827 432	160 665



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5. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 574 198	(533 636)	2 040 562	2 073 649	(437 417)	1 636 232

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	1 636 232	500 550	(96 220)	2 040 562

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	1 256 760	474 628	(95 156)	1 636 232

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Computer software, internally generated	923 251	923 251
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6. Heritage assets

Art Collections, antiquities and exhibits

2025			2024		
Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
46 283 000	-	46 283 000	45 482 000	-	45 482 000

Reconciliation of heritage assets 2025

Art Collections, antiquities and exhibits

Opening balance	Revaluation increase/(decrease)	Total
45 482 000	801 000	46 283 000

Reconciliation of heritage assets 2024

Art Collections, antiquities and exhibits

Opening balance	Revaluation increase/(decrease)	Total
43 301 500	2 180 500	45 482 000

Restrictions on heritage assets

No restrictions on title and disposal of heritage assets.

Pledged as security

No heritage assets has been pledged as security.



The South African State Theatre

Annual Financial Statements for the year ended 31 March 2025

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6. Heritage assets (continued)

Contractual commitments for the acquisition, maintenance and restoration of heritage assets

No contractual commitments for the acquisition, maintenance and restoration of heritage assets.

Revaluations

Art collections, antiquities and exhibits

Art collections

The effective date of the revaluation was 2025/04/07. Revaluations were performed by independent valuer, Mr Pieter W van Heerden, from Association of Arts Pretoria. The value was determined directly by reference to the observable prices in an active market.

The valuation was performed based on the Association of Arts Pretoria's knowledge, experience and research generally and particular instance for more than 20 years in the South African Art world. The Association of Arts Pretoria is regularly approached by institutions, individuals, auction houses and executors of deceased estates to perform evaluations of artworks.

Organ

The effective date of the revaluation was 2025/03/28. Revaluation was performed by an independent valuer, Spectrum Valuations & Asset Solutions. Using the fair market value method, a fair market value for a second hand Allen ADC-6000 organ sold at auction for R200,000. However, this particular model did not feature as extensive a speaker system as the one located at the State Theatre. Furthermore, the Allen ADC-6000 is no longer in production. The valuation was based on market value of R300 000.

The revaluation surplus relating to the heritage asset is as follows:

Opening balance	28 474 679	26 294 179
Change/movement	801 000	2 180 500
Closing balance	29 275 679	28 474 679

7. Payables from exchange transactions

Trade payables	4 642 577	6 086 979
Accruals	1 655 377	334 047
Accrued leave pay	1 708 262	1 435 554
Deposits received	423 462	711 473
Employee cost related payables	1 289 088	1 300 584
Other payables	181 236	154 778
Payments received in advanced - contract in process	560 693	440 511
Unidentified deposits	277 294	386 339
	10 737 989	10 850 265

Included in Unidentified deposits is R150 000 which was deposited in the SAST's bank account during the 2023 financial year, and have been identified as a possible fraudulent transaction. A case was opened with the HAWKS. No progress has been made on the investigation.



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8. Employee benefit obligations

Defined benefit plans - General information

Post retirement medical aid plan

An actuarial valuation has been performed by Independent Actuaries and Consultants (Pty) Ltd of the liability in respect of the post-employment medical aid subsidy to retirees of the SAST and to their registered dependants.

The valuation was done based on 9 (2024: 9) retired pensioners previously employed by the South African State Theatre.

The projected unit credit method has been used to value the liabilities.

The post-employment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability.

The details of the continuation membership at the valuation date are as follow:

- The number of principal members are 9,
- The average age of the members are 86.6 years.
- The average subsidy per month was determined at R4 538.
- The valuation was focused on the liability that SAST faces in respect of employees and continuation members currently covered by medical aid arrangements.

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

Post-retirement medical aid plan liability

Present value of the defined benefit obligation	(2 671 000)	(2 530 197)
Interest cost	(256 269)	(222 676)
Benefits paid	448 478	417 165
Actuarial gains/(losses)	(362 365)	(335 292)
	(2 841 155)	(2 671 000)
Non-current liabilities	(2 373 155)	(2 247 000)
Current liabilities	(468 000)	(424 000)
	(2 841 155)	(2 671 000)

Net expense recognised in the statement of financial performance are as follows:

- Actuarial gains / (losses) arising from changes in financial assumptions	60 656	(56 000)
- Actuarial gains / (losses) arising from experience adjustments	301 709	391 292
	362 365	335 292

Calculation of actuarial gains and losses

Actuarial gains / (losses) arising from changes in financial assumptions	60 656	(56 000)
Actuarial gains / (losses) arising from experience adjustments	301 709	391 292
	362 365	335 292



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8. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used - Post Employment Medical Aid	9,46 %	10,45 %
Healthcare Cost Inflation - Post Employment Medical Aid	6,25 %	6,73 %
Long term price inflation	4,75 %	5,23 %
Real rate (Gap)	3,02 %	3,49 %

The following valuation assumptions were used:

a) Discount rate

The discount rate required by GRAP 25 should be set with reference to a high-quality corporate bond. In countries where there is no deep market in such bonds, the market yield on government bonds should be used. We have set the discount rate by using the yield from the zero-coupon government bond curve with a duration of 5 years. The recommended discount rate is 9.46%.

b) Future inflation

The general inflation assumption is used to estimate the base rate for determining the rate at which the future health care subsidies will increase.

We have used the difference between nominal and real bonds with a duration of 5 years. The implied inflation assumption is therefore 4.75%. Future subsidies are expected to increase in line with medical inflation. We assumed that medical inflation would exceed general inflation by 1.5% per annum. The implied medical inflation assumption is therefore 6.25% p.a.

c) Net discount rate

Even though the actual values used for the discount rate and the expected increase in medical subsidies are important, the "gap" between the two assumptions are more important. This "gap" is referred to as the net discount rate. The net discount rate is 3.02%. (The "gap" is derived from the discount rates and the expected medical inflation rates, i.e. $(1.0946/1.0625-1)$)

d) Demographic valuation assumptions

Post-Employment Mortality

We have based the post-retirement mortality assumptions on the PA (90) mortality tables rated down by 1 year. A1% p.a. mortality improvement from a base year of 2010 has been included.

Family Profile

For the current pensioners in receipt of a subsidy we have taken the actual marital status and age of the spouse. One pensioner has two adult dependants. The dates of birth for these dependants is unknown. We have assumed that they are two female adult dependants, 5 years younger than the principal member.

e) Sensitivity results

The results of the valuation are dependent on the underlying assumptions made. The assumptions represent our best estimate of future experience. The actual cost of the subsidy will however be dependent on the actual experience.

Discount rate

Where the Discount rate (current assumption of 9.46%) decrease with 1%, the accrued liability increase with R130 000, and where the Discount rate increase with 1%, the accrued liability decreases with R119 000

Post retirement mortality.

Where the post retirement mortality (current assumption 89) increase with 1 year, the accrued liability increase with R163 000, and where the post retirement mortality decreased with 1 year, the accrued liability decreased with R157 000.

Health care inflation

Where the Health care inflation rate (current assumption 6.25%) decreased with 1%, the accrued liability will decrease with R124 000, and where the Health care inflation rate increase with 1%, the accrued liability increase with R133 000.



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9. Inventories

Front of House liquor, refreshments and consumables	635 162	481 987
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Inventory pledged as security

No inventory was pledged as security.

10. Receivables from exchange transactions

Trade debtors	1 265 669	1 938 541
Deposits	1 622 442	1 622 442
Other receivables	304 123	275 670
Prepaid expenses	675 983	162 496
	3 868 217	3 999 149

Ageing of Trade debtors

0 - 30 days	359 737	889 388
30 - 60 days	148 146	62 041
60 - 90 days	59 302	303 162
90 - 120 days	10 124	78 055
120 days and longer	2 510 053	2 543 889
Less: Provision for doubtful debts (Impairment provision)	(1 821 693)	(1 937 994)
	1 265 669	1 938 541

Financial asset receivables included in receivables from exchange transactions above	2 602 548	2 060 608
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Total receivables from exchange transactions	3 868 217	3 999 149
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Trade and other receivables past due but not impaired

Trade and other receivables which are past due and not impaired (due after 30 days) were considered on an individual basis, analysing their payment history and agreements made with SAST. At 31 March 2025, 905 932 (2024: 1 049 153) were past due but not impaired.

Reconciliation of provision for doubtful debts (Impairment provision)

Opening balance	1 937 994	2 010 057
Debt impairment	(116 301)	(72 063)
	1 821 693	1 937 994

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	72 626	86 456
Bank balances	314 233	57 162
Short-term deposits	22 696 286	29 859 158
	23 083 145	30 002 776

No cash balances are restricted.



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12. Finance lease obligation		
Minimum lease payments due		
- within one year	251 854	179 734
- in second to fifth year inclusive	434 736	494 269
	686 590	674 003
less: future finance charges	(117 170)	(161 100)
Present value of minimum lease payments	569 420	512 903
Present value of minimum lease payments due		
- within one year	184 738	110 050
- in second to fifth year inclusive	384 682	402 853
	569 420	512 903
Non-current liabilities	384 682	402 853
Current liabilities	184 738	110 050
	569 420	512 903

It is the policy of the entity to lease certain motor vehicles and equipment under finance leases.

No contingent rent was payable.

The average lease term was 3 years for the photocopy machines and the average effective borrowing rate was 10.75% (2024: 15%).

The average lease term was 5 years for the motor vehicles and the average effective borrowing rate was 15% (2024: 15%).

The book value of the leased assets is R509 861 (2024: R471 943)

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

13. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
Deferred grant income - capital portion	16 070 126	36 630 697
Deferred grant income - interest portion	6 049 428	3 882 806
	22 119 554	40 513 503

Movement during the year

Balance at the beginning of the year	40 513 503	43 374 713
Additions during the year (CAPEX transfer and interest earned)	2 166 622	8 929 294
Income recognition during the year	(20 560 571)	(11 790 504)
	22 119 554	40 513 503

The deferred grant income was received from the Department of Sport, Arts and Culture for capital expenditure.

In the previous financial years, CAPEX funds were used to fund operational expenditure of SAST. This was disclosed to the Department of Sport, Arts and Culture during the 2022/2023 financial year. Repayment terms have been agreed with the Department of Sport, Arts and Culture, and the SAST kept to its commitment. The full amount has been repaid by SAST as at 31 March 2025 (2024: R10 657 791).



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14. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Utilised during the year	Total
Insurance	116 302	(116 302)	-

Provision for the period 1 January 2023 until 31 March 2023 was raised for insurance, as the entity has not received the invoice yet.

15. Revenue

Sale of goods	5 033 458	3 450 089
Rendering of services	4 329 136	3 640 796
Rental of facilities and equipment	17 536 590	15 593 590
Sundry income	28 043	84 121
Interest received - investment	365 763	277 539
Government grants & subsidies	99 028 017	86 552 107
Revenue in kind	40 723 853	30 542 889
	167 044 860	140 141 131

The amount included in revenue arising from exchanges of goods or services are as follows:

Sale of goods	5 033 458	3 450 089
Rendering of services	4 329 136	3 640 796
Rental of facilities and equipment	17 536 590	15 593 590
Sundry income	28 043	84 121
Interest received - investment	365 763	277 539
	27 292 990	23 046 135

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

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

Transfer revenue

Government grants & subsidies	99 028 017	86 552 107
Revenue in kind	40 723 853	30 542 889
	139 751 870	117 094 996

Revenue in kind and operating lease

Revenue in kind and relating operating lease charge of R40 723 853 (2024: R30 542 889) is due to a lease agreement that is in place between Department of Public Works and Department of Sport, Arts and Culture for the building that the SAST occupies. The user charge are provided by the Department of Sport, Arts and Culture annually to the SAST and it was approved by National Treasury.

16. Lease rentals on operating lease

Equipment

Contractual amounts	500 710	237 336
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17. Government grants & subsidies

Operating grants

Department of Sport, Arts and Culture - Operational Grant	76 939 000	73 154 000
Department of Sport, Arts and Culture - Incubator Grant	1 500 000	1 500 000
CATHSSETA Grant	28 446	107 603
	78 467 446	74 761 603

Capital grants

Department of Sport, Arts and Culture - Capital Grant utilised	20 560 571	11 790 504
	99 028 017	86 552 107

18. Revenue in kind

Revenue in kind	40 723 853	30 542 889
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Revenue in kind and relating operating lease charge of R40 723 853 (2024: R30 542 889) is due to a lease agreement that is in place between Department of Public Works and Department of Sport, Arts and Culture for the building that the SAST occupies. The user charge are provided by the Department of Sport, Arts and Culture annually to the SAST and it was approved by National Treasury.

19. Employee related costs

Basic	50 447 925	44 837 491
Bonus (Optional monthly saving)	285 361	49 048
Defined contribution plans	256 269	222 676
Leave pay provision charge	272 708	(79 220)
Medical aid - entity contributions	2 120 894	1 956 194
WCA	377 280	270 706
	53 760 437	47 256 895

The increase in Employee related costs, except for the normal annual increase, was due to the decision to appoint the Security officials and Cleaning staff and not continue with outsourcing the services. This resulted in a decrease in general expenses. (note 23).

20. Production cost

Production costs	9 069 281	13 010 391
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Production costs relate to the core business of the entity, staging of theatre. Revenue from the theatre ticket sales was R4.3 m (2024: R3.6m) representing a cost recovery of 48% (2024: 28%)

21. Finance costs

Finance costs	79 475	135 119
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Included in finance cost is interest on finance leases (vehicle and printers) of R76 688 and interest on late payments of R2 377, which is included in the Fruitless and Wasteful Expenditure and recovered from the employees responsible.



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Figures in Rand	2025	2024
22. Repairs and maintenance		
Fleet management	144 084	160 437
Maintenance consumables	772 849	11 792
Repairs and maintenance	13 345 532	3 913 513
Repairs and maintenance of stage services	827 432	160 665
Stage services consumables	1 224 253	359 085
	16 314 150	4 605 492

The increase in repairs and maintenance was mainly contributed to repairs and maintenance done at both 320 Pretorius Street and Kilnerton (Investment property). The repairs and maintenance was funded through CAPEX projects, but was not capital in nature and could not be capitalised. This included roof and structural repairs at 320 Pretorius Street.

23. General expenses

Advertising	2 125 328	1 856 474
Auditors remuneration	2 654 353	2 165 720
Bank charges	452 116	349 906
Cleaning	628 937	2 593 589
Computer expenses	30 671	129 263
Consulting and professional fees	2 326 066	5 824 258
Consumables	98 938	31 697
Entertainment	9 350	37 978
Fleet management	21 665	17 761
IT expenses	585 984	618 554
Insurance	480 035	564 217
Other expenses	264 604	404 088
Placement fees	45 121	392 142
Postage and courier	2 205	33
Printing and stationery	41 770	106 454
Protective clothing	202 367	8 216
Royalties and license fees	487 729	191 978
Secretarial fees	786 207	545 643
Security	133 300	5 005 660
Software expenses	1 917 674	1 459 296
Staff welfare	465 517	249 966
Subscriptions and membership fees	88 861	49 377
Telephone and fax	302 416	358 510
Training	53 334	140 544
Travel - local	307 700	495 612
Utilities	11 761 363	9 955 777
	26 273 611	33 552 713



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24. Cash (used in) generated from operations		
Surplus	12 250 613	7 220 305
Adjustments for:		
Depreciation and amortisation	6 632 607	5 822 851
Loss on sale of assets and liabilities	-	(290 949)
Impairment of assets	102 414	120 706
Fair value adjustments	(2 000 000)	(4 376 804)
Debt impairment	(116 301)	(72 063)
Actuarial (gain)/loss	362 364	335 292
Leave accrual included in the Statement of Financial Performance	272 708	(79 221)
Deferred contribution plan cost	(448 478)	(608 128)
Interest cost on deferred contribution plan included in the Statement of Financial Performance	256 269	222 676
Changes in working capital:		
Inventories	(153 175)	(268 500)
Receivables from exchange transactions	610 510	(1 038 963)
Payables from exchange transactions	(891 548)	(1 813 633)
Unspent conditional grants and receipts	(18 393 949)	(2 861 210)
	(1 515 966)	2 312 359

25. Cost of sale of goods/inventory

Included in cost of sale of goods/inventory is alcohol, meat, vegetables, cool drinks, water etc., which is sold through our Front of House service and the Restaurant.

26. Taxation

The entity has been approved that the receipts by and accruals to the SAST are exempt from Income Tax in terms of the provisions of section 10(1)(cA)(i) of the Income Tax Act; and

Donations by or to the SAST are exempt from donations tax in terms of section 56(1)(h) of the Income Tax Act.

27. Fair value adjustments

Investment property (Fair value model)	2 000 000	4 376 804
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28. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	8 144 504	1 432 957
Total capital commitments		
Already contracted for but not provided for	8 144 504	1 432 957
Authorised operational expenditure		
Already contracted for but not provided for		
• Operational expenditure	7 485 078	3 986 252
Total commitments		
Authorised capital expenditure	8 144 504	1 432 957
Authorised operational expenditure	7 485 078	3 986 252
	15 629 582	5 419 209

This committed capital expenditure relates to plant and equipment and will be financed by existing cash resources received from DSAC through the CAPEX grant.



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29. Contingencies

Contingent liability

1. Labour matters

Financial year 2023/2024

One labour matter is at the Labour Court. The outcome is pending.

Three labour matters are at the CCMA and the outcome is pending. (One has been resolved in SAST's favor after year-end)

The two remaining labour matters have claims against SAST of:

- 1) Maximum compensation of 12-months salary or reinstatement, which could result, if compensation is paid, to R1 385 311.
- 2) Maximum compensation of 12-months salary or reinstatement, which could result, if compensation is paid, to R749 773.

Financial year 2024/2025

Two labour matters are at the Labour Court. The outcome is pending. Both applicants seeks from the Labour Court to review and set aside and award on their cases, therefore wanting the case to be heard again at the CCMA but under a different Commissioner. No indications of costs claimed by the one applicant, and costs to be paid by the respondent by the other applicant.

Two labour matters are at the CCMA and the outcome is pending.

The two labour matters have claims against SAST of:

- 1) Maximum compensation of 12-months salary or reinstatement, which could result, if compensation is paid, to R1 541 886.
- 2) Maximum compensation of 12-months salary or reinstatement, which could result, if compensation is paid, to R252 750.

2. Injury on duty

Financial year 2024/2025

The plaintiff cites the SAST on the basis that he was injured at the premises of the SAST and that the SAST was negligent, which negligence let to, alternatively contributed to his injuries / damages he sustained.

The quantum which the Plaintiff claims (at this stage) amounts to R4 250 000. The parties are currently engaged in the discovery phase of the litigation process during which process the parties request certain documents and particulars from each other for purposes of trial.

Although we do not, at this stage, foresee that the Plaintiff will be successful with his claim against the SAST, there is some information that the SAST is unable to produce in respect of the processes pertaining to the stage, health and safety and the incident itself. Many of the employees from who information / documents have been requested, and who will be called as witnesses at the trial of the matter have left the employment of the SAST and are not contactable or their current whereabouts are unknown.

Contingent assets

1. Fraud matter

Financial year 2023/2024

All the liquidation and sequestrations were successful. The suspects were arrested on 13 December 2023. The SAST instructed the lawyers not to proceed with the insolvency enquiries due to the fact that it is not a guarantee to recoup funds. The estimated cost to finalise the estates is R100 000.

Financial year 2024/2025

Both civil and criminal cases against the accused are currently at court. All the liquidation and sequestrations were successful. The SAST instructed the lawyers not to proceed with the insolvency enquiries due to the fact that it is not a guarantee to recoup funds. The estimated cost to be levied by the liquidator to finalise the insolvent estates are R100 000.

2. Operational matters

2.1 Tenants matter

Financial year 2023/2024

Due to the scheduled maintenance that took place from January 2024 onwards, tenants were informed to vacate their offices and spaces to allow for the maintenance team to perform their duties. Some of the tenants did not accept the notice and proceeded with unlawful actions. The matters were referred to the lawyers and the eviction process of the tenants started. There is a possible settlement reached with three of the tenants. One of the tenants has voluntarily vacated. The merits of the matter are in favour of the SAST, however a successful outcome remains uncertain. The estimated cost is R250 000.

Financial year 2024/2025

Eviction proceedings are pending. Four of the eviction matters have been resolved as the tenants vacated the premises. Two of the eviction matters have been enrolled for hearing. The SAST has good merits however it remains a fifty/fifty percent on chances of success. The estimated costs are R150 000.

2.2 LED Screen Service Provider Dispute



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29. Contingencies (continued)

Financial year 2024/2025

The legal process outcome is still pending. No further instructions were given. The cost can only be determined once instructions are given.

2.3 Restaurant matter

Financial year 2023/2024

McMenamin Van Huyssteen & Botes have withdrawn as Mosiane Consulting Services attorneys of record. We have to date not received any further communication from Mr Mosiane. The attorneys were instructed to close the file.

2.4 Surrender of surpluses

The entity annually declares all surpluses or deficits to the relevant Treasury from the period 1 April to 31 March of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits.

The entity surrenders 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.

Based on the preliminary calculations made by the SAST, there is no surplus to surrender.

30. Related parties

Relationships

Ultimate controlling entity

Controlling Department

Entities under the control of the Department of Sport, Arts and Culture

Members of key management

Department of Sport, Arts and Culture

Department of Sport, Arts and Culture

All other entities under the Department of Sport, Arts and Culture are considered related parties.

Dr. S. Mkhize (Chief Executive Officer)

Mr. A. Sekhabi (Artistic Director)

Ms. S. Viljoen (Chief Financial Officer)

Ms. K. Modise (Director of Corporate Services)

Resigned 29 February 2024

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Department of Sport, Arts and Culture	(677 957)	(677 957)
Department of Sport, Arts and Culture	-	150 000
Professor Fikile N.M. Mazibuko (Chairperson of Council)	-	19 377
Ms S Viljoen (Chief Financial Officer)	72 591	92 591

Department of Sport, Arts and Culture

Operational grant	76 939 000	73 154 000
Capital grant (received)	-	6 611 529
Incubator grant	1 500 000	1 500 000

Compensation to key management excluding salaries (refer to note 28 Key Management Compensation)

Mr. A. Sekhabi	-	50 000
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Remuneration of management



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30. Related parties (continued)

Management class: Board members

2025

	Members' fees	Total
Non-executive		
Professor Fikile N.M. Mazibuko (Chairperson) (Term ended 8 December 2024)	35 779	35 779
Dr. M.J. Ndlovu (Deputy Chairperson) (Term ended 8 December 2024)	46 313	46 313
Ms. V. Ndlovu (Independent Audit and Risk Committee Chairperson)	44 080	44 080
Mr. S. Maharaj (Term ended 8 December 2024)	17 798	17 798
Mr. G. Masokoane (Term ended 8 December 2024)	31 644	31 644
Dr. L.L. Nawa (Term ended 8 December 2024)	28 468	28 468
Ms. G.Z. Nkosi	17 338	17 338
Mr. T.J. Rochussen	19 680	19 680
Adv. K.P. Thango (Term ended 8 December 2024)	40 327	40 327
Mr. A. Latchu	32 979	32 979
Mr. M.J. Siziba (Appointed on 1 October 2024)	5 640	5 640
Ms. V. Nayagar (Term ended 9 April 2024)	2 022	2 022
Ms. S.C. Mtshali	16 812	16 812
Mr. S.L. Monama	11 582	11 582
Mr. M. Makgolo (Term ended 8 December 2024)	25 180	25 180
Ms. J. Govender (Term ended 8 December 2024)	35 264	35 264
Ms. N. Manana (Reappointed on 9 December 2024)	49 432	49 432
Mr. T.P. Molefe (Chairperson) (Appointed 9 December 2024)	12 055	12 055
Ms. P. Ndlovu (Deputy Chairperson) (Appointed 9 December 2024)	15 156	15 156
Adv. C. Naidoo (Appointed 9 December 2024)	12 206	12 206
Mr. E. Phiri (Appointed 9 December 2024)	14 258	14 258
Ms. K. Kunene (Appointed 9 December 2024)	12 422	12 422
Ms. L. Matlala (Appointed 9 December 2024)	11 852	11 852
Mr. Z. Gordon (Appointed 9 December 2024)	11 603	11 603
	549 890	549 890

2024

	Members' fees	Total
Non-executive		
Professor Fikile N.M. Mazibuko (Chairperson)	52 174	52 174
Dr. M.J. Ndlovu (Deputy Chairperson)	68 432	68 432
Ms. V. Ndlovu (Independent Audit and Risk Committee Member)	72 558	72 558
Mr. S. Maharaj	80 473	80 473
Ms. H.K. Makgae (Term ended 9 December 2023)	17 500	17 500
Mr. G. Masokoane	38 243	38 243
Dr. L.L. Nawa	38 079	38 079
Ms. G.Z. Nkosi	35 600	35 600
Mr. T.J. Rochussen	35 436	35 436
Adv. K.P. Thango	57 628	57 628
Mr. A. Latchu	60 027	60 027
Ms. N.J. Mlambo (Term ended 30 November 2023)	10 997	10 997
Ms. V. Nayagar	16 233	16 233
Ms S.C. Mtshali	18 698	18 698
Mr. S.L. Monama	27 738	27 738
Mr. M. Makgolo (Appointed 9 December 2023)	2 918	2 918
Ms. J. Govender (Appointed 9 December 2023)	4 112	4 112
Ms. N. Manana (Appointed 9 December 2023)	3 280	3 280
	640 126	640 126



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30. Related parties (continued)

Management class: Executive management

2025

Name	Basic salary	Provident fund	Allowances	Total
Dr. S. Mkhize (Chief Executive Officer)	1 999 415	356 731	68 400	2 424 546
Mr. A. Sekhabi (Artistic Director)	1 404 116	250 255	132 000	1 786 371
Ms. S. Viljoen (Chief Financial Officer)	1 775 114	-	120 000	1 895 114
	5 178 645	606 986	320 400	6 106 031

2024

Executive Management	Basic salary	Provident fund	Allowances	Total
Dr. S. Mkhize (Chief Executive Officer)	1 902 922	334 494	63 900	2 301 316
Mr. A. Sekhabi (Artistic Director)	1 217 275	204 532	127 500	1 549 307
Ms. K. Modise (Director of Corporate Services) (Resigned on 29 February 2024)	1 133 502	73 561	168 200	1 375 263
Ms. S. Viljoen (Chief Financial Officer)	1 555 830	-	120 000	1 675 830
	5 809 529	612 587	479 600	6 901 716

31. Change in estimate

Property, plant and equipment

A full physical verification of the entire population of SAST's assets was conducted. The assessment of useful lives was conducted on all asset classes.

Computer Equipment

The useful life of Computer equipment was originally estimated to be between 5 - 7 years. In the 2022 financial year, management have revised their estimate by an additional 3 years. In the 2023 financial year, management have revised their estimate by an additional 2 years. In the 2024 financial year, each asset was individually assessed and their useful life was assessed based on their condition. In the 2025 financial year, each asset was individually assessed and their useful life was assessed based on their condition. The effect of the revision has decreased the depreciation charge for the current year by R14 929.

Office Equipment

The useful life of Office equipment was originally estimated to be between 5 - 7 years. In the 2022 financial year, management has revised their estimate by an additional 3 years. In the 2023 financial year, management has revised their estimate by an additional 2 years. In the 2024 financial year, each asset was individually assessed and their useful life was assessed based on their condition. In the 2025 financial year, each asset was individually assessed and their useful life was assessed based on their condition. The effect of the revision has decreased the depreciation charge for the current year by R175.

Plant and Equipment

The useful life of Plant and Equipment was originally estimated to be between 5 - 10 years. In the 2022 financial year, management has revised their estimate by an additional 3 years. In the 2023 financial year, management has revised their estimate by an additional 2 years. In the 2024 financial year, each asset was individually assessed and their useful life was assessed based on their condition. In the 2025 financial year, each asset was individually assessed and their useful life was assessed based on their condition. The effect of the revision has decreased the depreciation charge for the current year by R1 192.

Motor vehicles

The useful life of motor vehicles were assessed individually and their useful life was assessed based on their condition. The effect of the revision has decreased the depreciation charge for the current year by R1 784. The



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32. Prior period errors

During the current financial year, the entity reviewed prior period transactions. The review resulted in a number of adjustments relating to the 2023/2024 financial year, which affected a number of general ledger accounts. The prior period was adjusted retrospectively. The following tables display what the values were before the adjustment and after the adjustment.

Property, plant and equipment	Restated figure	Previously reported
Plant and equipment	10 268 315	10 320 729
Property, plant and equipment (including above)	30 958 339	31 010 753
	41 226 654	41 331 482

Following a full physical verification of assets, it was discovered that three items had been barcoded twice. The correction is R52 414.

Payables from exchange transactions

Trade payables	6 086 979	6 153 570
Accruals	334 047	93 935
Payables from exchange transactions (including above)	10 751 692	10 676 744
	17 172 718	16 924 249

Following the permanent appointment of the Security guards, it was identified that overtime was not calculated accurately. The correction was done retrospectively. The correction was R258 905. The remaining corrections was due to invoices received late and incorrect allocations.

Expenditure

Consulting and professional fees	5 824 258	5 821 498
Production costs	13 010 391	13 079 737
IT Expenses	618 554	639 254
Royalties and license fees	191 978	190 072
General expenses (including above)	33 552 713	33 568 747
Depreciation	5 822 851	5 840 322
Employee related costs	47 256 895	46 997 990
	106 277 640	106 137 620

Following the permanent appointment of the Security guards, it was identified that overtime was not calculated accurately. The correction was done retrospectively. The correction was R258 905. The remaining corrections was due to invoices received late and incorrect allocations.

Commitments (Note 26)

Operational expenditure	3 986 252	3 972 399
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Credit notes were issued on a contract, which resulted in a retrospective adjustment.

Related parties (Note 28)

Department of Sport, Arts and Culture - Incubator grant	1 500 000	1 350 000
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DSAC paid the R150 000 after year end. A receivable was included in the related party transaction, but the revenue was not disclosed correctly.

Deposits received and Payments received in advance was included in the movement for payables, which was corrected to include it in the movement in Receivables. Prepaid expenses was included in the movement for receivables, which was corrected to include it in the movement in Payables. The interest on the Deferred Contribution plan was included in the employee cost which should have been excluded: This correction only effected the Cash Flow Statement.



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32. Prior period errors (continued)

The correction of the error(s) results in adjustments as follows:

Statement of Financial Position

Decrease in Property, plant and equipment	-	(52 414)
Increase in Payables from exchange transactions	-	(173 520)
Decrease in Retained earnings	-	69 885
	-	(156 049)

Statement of financial performance

Decrease in Depreciation and amortisation	-	(17 471)
Increase in Employee related costs	-	258 899
Decrease in Production costs	-	(69 346)
Decrease in General expenses	-	(16 033)
	-	156 049

Cash Flow Statement

Cash flow from operating activities

Increase in Employee costs	-	258 905
Decrease in Sale of goods and services	-	(162 075)
Decrease in Suppliers	-	(96 830)
	-	-

Cash generated from operations (Note 23)

Interest cost on deferred contribution plan included in the Statement of Financial Performance	-	222 676
Deferred contribution plan cost	-	(222 676)
Decrease in Receivables from exchange transactions	-	(162 075)
Increase in Payables from exchange transactions	-	162 075
	-	-

33. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: interest rate risk, cash flow interest rate risk and price, credit risk and liquidity risk.

The following is the categories of financial instruments disclosed:

Categories of financial instruments	Classification	2025	2024 Restated
FINANCIAL ASSETS			
Receivables from exchange transactions	Financial asset measured at amortised cost	3 868 217	3 999 149
Cash and cash equivalents	Financial asset measured at amortised cost	23 083 145	30 002 776
FINANCIAL LIABILITIES			
Payables from exchange transactions (excluding Unidentified deposits)	Financial liability measured at amortised cost	10 460 695	10 463 926



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33. Risk management (continued)

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade payables	4 642 577	-	-	-
Accruals	1 655 377	-	-	-
Accrued leave pay	1 708 262	-	-	-
Deposits received	423 462	-	-	-
Employee cost related payables	1 289 088	-	-	-
Other payables	181 236	-	-	-
Payments received in advanced - contract in process	560 693	-	-	-

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade payables	6 086 979	-	-	-
Accruals	334 047	-	-	-
Accrued leave pay	1 435 554	-	-	-
Deposits received	711 473	-	-	-
Employee cost related payables	1 300 584	-	-	-
Other payables	154 778	-	-	-
Payments received in advanced - contract in process	440 511	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risks relates to potential exposure on trade receivables. At year end, the entity did not consider there to be any significant concentration of credit risk which had not been adequately provided for. There is no security pledged on trade receivables and cash and cash equivalents.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024 restated
Cash and cash equivalents	23 083 145	30 002 776
Receivables from exchange transactions	3 868 217	3 999 149



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33. Risk management (continued)

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

All financial instruments attract interest at rates linked directly to the prime bank overdraft rate.

Assets

Cash and cash equivalents	23 083 145	30 002 776
Receivables from exchange transactions	3 868 217	3 999 149
	26 951 362	34 001 925

Liabilities

Payables from exchange transactions (excluding Unidentified deposits)	10 460 695	10 463 926
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Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Receivables from exchange transactions	0%	3 868 217	-	-	-	-
Cash and cash equivalents:	1,92% - 6,95%	23 083 145	-	-	-	-
- Cash on hand	0%	72 626	-	-	-	-
- Bank balances	1,92% - 6,30%	314 233	-	-	-	-
- Short-term deposits	6,95%	22 696 286	-	-	-	-
Payables from exchange transactions (excluding Unidentified deposits)	0%	10 460 695	-	-	-	-

34. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

35. Events after the reporting date

There was no adjusting events after the reporting date.

36. Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	3 739 859	12 448 237
Fruitless and wasteful expenditure	20 837	138 526
Closing balance	3 760 696	12 586 763

*Refer to reconciling notes in the annual report



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36. Irregular and Fruitless and Wasteful Expenditure (continued)

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Fruitless and wasteful expenditure

Interest charged by City of Tshwane

Interest charged by City of Tshwane for late payment. The employee has left SAST, and have paid the amount after year end.

Salary paid into old bank account of employee

The bank account details of an employee was changed without proper authorisation. The salary was, as a result of the change, paid into an old bank account. The money has been paid back after year end. The employee received a final written warning.

Irregular expenditure

Non-compliance with TR16A3.2 and TR16A6.3 (a) & (b). Non adherence when evaluating bidders on compulsory requirements

Disciplinary steps were taken and the employee resigned prior to the disciplinary process could be finalised.

Non-compliance with PFMA SCM Instruction No. 02 of 2021/2022, no variation was done in accordance with the Instruction Note

Notice of disciplinary steps were issued to the individual, but he resigned before the disciplinary process was completed. This relates to prior year contracts.

SAST had a standard artistic deviation to support all artistic procurement, which was reviewed by the Auditor General of South Africa and found to be non-compliant.

Non-compliance with PFMA SCM Instruction No. 03 of 2021/2022, no SBD 4 and SBD 6 was submitted by the service provider as required by the Instruction Note.

No disciplinary steps were taken, as it was a business decision taken by the SAST.

There is one instance where no procurement processes was followed, the expenditure is still under investigation.

There is one instance where only one quote was received, with no deviation to support it.

Prior year irregular expenditure was disclosed as R4 908 994, with R7 539 243 under assessment, where two findings were referred to National Treasury to preside over the matter. National Treasury provided the conclusion that the amount should be classified as irregular expenditure. The 2023/2024 figure was updated with the R7 539 243.

37. Materiality

The internal materiality figure for SAST is 0.5% of the budget amount.



THE SOUTH AFRICAN STATE THEATRE

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