



THE SOUTH AFRICAN
STATE THEATRE

**Annual Report
2006/07**



THE SOUTH AFRICAN
STATE THEATRE

INTRODUCTION

- The financial year has been a challenging one
- Passing away of CEO
- State Theatre Birthday





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Artistic Programme

- Opera
- Drama
- Arena
- The Intimate
- Rendezvous
- Momentum





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Development programme

- Grants
 - National Lottery Distribution Trust Fund
- 52 Seasons Development Programme
 - 12 Artistic Companies
 - Mentor Director
- Residency
 - 4 Companies





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Partnerships

- Local and international presenters
- Performances abroad
- Exchange programmes

Audiences

- Improvement in paying audiences
- 236 410





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Human Capital

- ABET Programme
- Training programmes
- Succession planning
- HIV/Aids policy
- Learner ship programmes





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Capital Projects

- Renovation of Kilnerton
- Upgrading contracts footed by Department of Public Roads, Works and Transport
 - Marble facades
 - Improved lighting
 - Control System of the Opera stage
- Capex funding from DAC
 - Opera back stage wagon
 - Aircon and fire detection evacuation system
- Arena seating







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PERFORMANCE INFORMATION

The following report summarises the progress made in the reported year towards achieving eight strategic objectives





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|--|--|---|--------------------|---|
| To attract paying audiences per annum into the complex | Develop audiences | Three hundred Thousand paying audiences per annum | 236, 410 audiences | <p>There was a nine weeks dark period due to necessary repairs, upgrades and/or installation of new equipment in the main theatres.</p> <p>Need for reputable restaurant facilities</p> <p>Need for a macro audience development plan</p> |
| | Vigorous marketing | | | |
| | Offer a safe and fulfilling experience | | | |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|---|-------------------------------------|---------------------------------------|-------------------|---|
| To develop new fringe productions per annum | Develop emerging artists, producers | Twelve new productions per annum | 6 new productions | Programme funding received second quarter. |
| | Providing Access | | | Continued funding required for regularity and sustain ability of the program. |
| | Develop new content | | | Accelerated development program to be embarked upon |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|----------------------------------|--|---------------------------------------|-------------------------|--|
| To develop residency productions | Develop diverse and quality programs | Four per annum | 3 Residency productions | Programme funding received second quarter. |
| | Mentor emerging directors and performers | | | Continued funding required for regularity and sustain ability of the program |
| | Experiment with content and style | | | |
| | Celebrate South African works | | | |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|-------------------------------------|--|---|---------------------------|--|
| To showcase main stream productions | Attract established producers | At least three mainstream productions per annum | 13 Mainstream productions | Urgent need to invest in local block busters Emerging theatre venues pose a potential challenge |
| | Offer a safe and fulfilling experience | | | |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|----------------------------------|---|---|---|---|
| Maintaining technical excellence | Developing technical learnership programmes | Business continuity and occupational health and safety compliance | 80% of opera stage machinery upgraded. | Complete Opera state Upgrades by 2007/08 Implement technical learnership programme |
| | Preventative maintenance | | Improved disability access, fire detection and evacuation system. | |
| | Upgrading theatre equipment | | | |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|---|--|---------------------------------------|-------------|---|
| Obtain state funding for operating expenses | Ensure compliance and sound corporate governance | R 22.6 million | R23 683 000 | 10% of grant received allocated to artistic |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|---|--|---------------------------------------|------------|----------------------------|
| Secure funding for the development and artistic programme | Identify development and artistic projects | R4 Million | R1 800 000 | R1.2 Million outstanding |
| | Develop proposals | | | |
| | Build Maintain relationships | | | |
| | Ensure accountability | | | |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|--|--|---------------------------------------|------------|--|
| Generate revenue from utilization of resources | Vigorous marketing of facilities and resources | R 8 Million | R9 978 753 | Exceeded target due to being the preferred premier venue Emerging theatre venues pose a potential challenge |
| | Offer a safe and fulfilling experience | | | |
| | Develop a circuit system | | | |





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| Key objective | Strategy | Service delivery target or milestones | Output | Comment/ Corrective action |
|---|---|---|---------------------------|--|
| Explore shared service centre with the Market theatre and the Windybrow | Develop a circuit system | At least three productions transferred and received | 2 Productions transferred | Collective planning required with other theatres Ring-fenced funding for touring required |
| | Collaborate on mounting/hosting big productions | | | |



**The South African State Theatre
(Cultural Institution)**

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007



**THE SOUTH AFRICAN
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THE SOUTH AFRICAN
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STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2007

| | Notes | 2007 R | 2006 R |
|--|-------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 44,118,410 | 48,514,670 |
| Investment property | 16 | 38,679,596 | 42,977,745 |
| Intangible Assets | 17 | 5,436,130 | 5,443,168 |
| | | 2,684 | 93,757 |
| Current assets | | | |
| Inventory | 18 | 8,015,203 | 9,439,733 |
| Trade and other receivables | 19 | 140,875 | 303,453 |
| Cash and cash equivalents | 20 | 534,604 | 595,769 |
| | | 7,339,725 | 8,540,511 |
| Total assets | | 52,133,613 | 57,954,403 |
| NET ASSETS AND LIABILITIES | | | |
| Capital and reserves | | | |
| Accumulated deficit | 25 | (363,848) | (3,641,457) |
| Capital reserve: Property, plant and equipment | | 4,843,848 | (8,121,457) |
| | | 4,480,000 | 4,480,000 |
| LIABILITIES | | | |
| Non Current liabilities | | | |
| Long term provisions | 21 | 40,976,184 | 46,506,715 |
| Deferred income | 22 | 2,826,900 | 5,402,653 |
| Lease liabilities | 13 | 37,554,213 | 40,849,695 |
| | | 415,071 | 254,367 |
| Current liabilities | | | |
| Trade and other payables | 23 | 11,701,276 | 15,089,145 |
| Short term provisions | 24 | 3,342,783 | 6,450,695 |
| Current portion of deferred income | 22 | 613,903 | 1,011,080 |
| Current portion of lease liabilities | 13 | 7,444,734 | 7,495,653 |
| | | 299,857 | 131,717 |
| Total net assets and liabilities | | 52,133,613 | 57,954,403 |



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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2007

| | Notes | 2007 R | 2006 R |
|--|-------|-------------------------|-------------------------|
| TOTAL REVENUE | | 45,285,018 | 48,199,904 |
| Other revenue | 3 | 19,107,499 | 21,524,379 |
| Grants Received | 5 | 26,177,519 | 26,675,525 |
| Cost of sales | 6 | (1,128,912) | (1,085,096) |
| Selling and distribution costs | 7 | (6,837,855) | (10,206,797) |
| Administrative costs | 8 | (25,278,073) | (23,122,549) |
| Other expenses | 9 | (8,954,199) | (12,557,073) |
| Surplus from operations | | 3,085,979 | 1,228,389 |
| Finance income | | 584,017 | 915,664 |
| Finance costs | | (392,386) | (217,962) |
| Net Surplus/ (Deficit) for the year | | <u>3,277,609</u> | <u>1,926,091</u> |



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CHANGES IN NET ASSETS

for the year ended 31 March 2007

| | Notes | CAPITAL RESERVE: PROPERTY, PLANT & EQUIPMENT | ACCUMULATED (DEFICIT)/SURPLUS | TOTALS R |
|---|-------------|--|----------------------------------|--------------------|
| Balance at 01/04/2006 as previously reported | | 4,480,000 | (9,991,003) | (5,511,003) |
| Prior year error | 25.7 | | (56,545) | (56,545) |
| Restated balance | | 4,480,000 | (10,047,548) | (5,567,548) |
| Net deficit for the year restated | | - | 1,926,091 | 1,926,091 |
| As previously reported | | - | 4,419,191 | 4,419,191 |
| Prior year error | 25.7 | - | (2,493,100) | (2,493,100) |
| Balance as at 31/03/2006 | | 4,480,000 | (8,121,457) | (3,641,457) |
| Net surplus for the year | | - | 3,277,609 | 3,277,609 |
| Balance as at 31/03/2007 | | 4,480,000 | (4,843,848) | (363,848) |



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CASH FLOW STATEMENT

for the year ended 31 March 2007

| | Notes | 2007 R | 2006 R |
|--|-------------|--------------------|--------------------|
| Net Cash flow from operating activities | | 3,545,255 | 5,615,958 |
| Cash receipts from customers | | 45,576,403 | 48,441,339 |
| Cash paid to suppliers and employees | | (42,155,137) | (43,523,083) |
| Cash generated by operating activities | 26.1 | 3,353,625 | 4,918,256 |
| Finance costs | | (392,386) | (217,962) |
| Finance income | | 584,017 | 915,664 |
| Net Cash flow from investing activities | | (1,728,484) | (8,149,349) |
| Additions to plant and equipment | | (1,437,576) | (6,821,702) |
| Additions to investment property | | (290,908) | (1,145,938) |
| Additions to intangible assets | | - | (181,709) |
| Net cash flow from financing activities | | (3,017,557) | (6,609,891) |
| Increase/ (decrease) in lease liabilities | | 328,844 | (238,118) |
| Decrease in deferred income | | (3,346,401) | (6,371,773) |
| Net (decrease)/increase in cash and cash equivalents for the year | | (1,200,786) | (9,143,282) |
| Cash and cash equivalents at the beginning of the year | | 8,540,511 | 17,683,793 |
| Cash and cash equivalents at the end of the year | | 7,339,725 | 8,540,511 |



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HUMAN RESOURCE MANAGEMENT

for the year ended 31 March 2007





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Organisational structure





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Employment and vacancies

| POST NAME | TYPE OF EMPLOYMENT | CURRENT STATUS |
|--------------------------|--------------------|---------------------------|
| CEO | Contract 3-5 yrs | Vacant/ Performance Based |
| CFO | Permanent | Filled |
| Hr Manager | Permanent | Filled |
| Facilities Manager | Permanent | Filled |
| Development Manager | Contract 3yrs | Vacant/ Performance Based |
| Personnel Officer | Permanent | Filled |
| Sales Consultant | Contract 3yrs | Filled |
| Publicist | Contract 3yrs | Vacant/ Performance Based |
| Development Co-ordinator | Permanent | Filled |
| Financial Officer | Permanent | Filled |



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Employment changes

Annual turnover for the period 1 April 2006 to March 2007

| EMPLOYMENT CATEGORIES | NUMBER OF EMPLOYEES ON 01 APRIL 2007 | RECRUITMENT | TERMINATION/ REGSIGNATION | NUMBER OF EMPLOYEES ON 31 MARCH 2007 |
|---|--------------------------------------|-------------|---------------------------|--------------------------------------|
| Top Management | 4 | 1 | 2 | 3 |
| Senior Management | 9 | 1 | 1 | 10 |
| skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 44 | 1 | 1 | 45 |
| Semi skilled and discretionary decision making | 49 | - | - | 49 |
| Unskilled and defined decision | 7 | - | - | 7 |
| TOTAL PERMANENT | 112 | 3 | 5 | 114 |



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Employment changes

Annual turnover for the period 1 April 2006 to March 2007

| TERMINATION TYPE | NUMBER |
|-------------------------------|--------|
| Death | 1 |
| Resignations | 4 |
| Dismissal-operational changes | - |
| Dismissal-misconduct | - |
| Dismissal-in-efficiency | - |
| Discharged due to ill-health | - |
| Retirement | - |
| Maternity Leave | 1 |
| Total | 6 |



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Employment Equity

Annual turnover for the period 1 April 2006 to March 2007

| OCCUPATIONAL GROUPS | AFRICAN | | | COLOURED | | | INDIAN | | | WHITE | | | TOTAL | |
|--|---------|----|---|----------|---|---|--------|---|---|-------|----|---|-------|----|
| | M | F | D | M | F | D | M | F | D | M | F | D | M | F |
| Legislature, Senior Officials and Managers | 3 | 2 | | | | | 1 | | | 4 | 2 | | 8 | 4 |
| Technicians and Associate | 27 | | | | | | | | | 7 | | | 36 | |
| Professionals | 31 | 13 | | 2 | | | | | | 3 | 10 | | 36 | 27 |
| Elementary Occupations | 3 | | | 2 | 4 | | | | | | | | 3 | |
| TOTAL | 64 | 15 | | 4 | 4 | | 1 | | | 14 | 12 | | 83 | 31 |



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HIV/AIDS Health and promotions programme

A workshop was held informing employees on AIDS/HIV issues

Labour relations

On all cases reported, no one was found guilty

Injury on duty

No reports

Utilisation of consultants

Consultants were used to assist in fields of expertise



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Skills development

- Several skills needs were identified and presented to MAPPP Seta to claim skills levy
- Fire Risk Management and Occupational Health and Safety
- Advanced Customer Care Training
- Stage Management Training
- Assessor Training
- Supply Chain Management Training
- Licensing
 - The State Theatre has been awarded a license as an employer implementing in-house training



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CONCLUSION

- 2007 a successful year
- Interesting challenges and opportunities
- Artistic programmes need to be regulated to grow, mature and entertain
- Special projects should align with strategy of DAC

***We look forward to an exciting 2008
with fully booked theatres, entertaining productions
and happy audiences***

