



ROODEPOORT CITY THEATRE (NPC)
Trading as
JOBURG PROMUSICA

Registration No: 1981/005017/08

Abridged Annual Report 2015/16

(In terms of Section 121 of the
Municipal Finance Management Act, 2003 and Section 46 of the Municipal Systems Act, 2000)

**ROODEPOORT CITY THEATRE (NPC)
Trading as
JOBURG PROMUSICA**

(AN ASSOCIATION INCORPORATED UNDER SECTION 21 OF THE COMPANIES ACT)

COMPANY INFORMATION:

Registration number: 1981/005017/08

Registered Address: Civic Centre, Region C
100 Christian de Wet Road
Florida Park
ROODEPOORT

Postal Address: P O Box 1531
Florida
1710

Telephone number : (011) 674- 1356/7/8

Fax number : (011) 674-2365

Website : www.promusica.co.za

Bankers : Standard Bank

Auditors : Auditor-General

Vision

To be a world class Art Centre that seeks new ways of being relevant, by presenting diverse programmes that address all communities through music, theatre, poetry, dance and carnival arts

Mission

***To showcase creative talents of the City and in the South and Western regions.
To become a central feature of development initiatives in the Region and the City as a whole.
To continue to support, develop and offer original, innovative and relevant programming to the residents of the City of Johannesburg and beyond
To provide professional services to clients of the theatre
To ensure the future of the performing arts in the country by actively contributing to youth and child development efforts.***

Mandate

The entity endeavours to contribute to the overall 2040 GDS strategy of the City of Johannesburg in becoming a "World Class African City" – a city where community development, personal growth and social mobility are enhanced so that challenges of poverty, vulnerability, inequality and social exclusion are fundamentally addressed.

TABLE OF CONTENTS

STRUCTURE OF THE REPORT	4
CHAPTER ONE: LEADERSHIP & CORPORATE PROFILE	
Section 1: Foreword by Member of the Mayoral Committee	6
Section 2: Chairperson's Foreword	7
CHAPTER TWO: GOVERNANCE	8
Section 1: Corporate Governance Statement	9
Section 2: Board of Directors	12
Section 3: Board Committees	16
Section 4: Director's Remuneration	18
Section 5: Company Secretarial Function	18
CHAPTER THREE: FINANCIAL PERFORMANCE	19
Section 1: Statement of Financial Position and Notes	20
Section 2: Statement of Financial Performance and Notes	20
Section 3: Statement of Changes in Net Assets	20
Section 4: Cash Flow Statement	20
Section 5: Report in irregular, fruitless and wasteful expenditure and legal process	20
CHAPTER FOUR: AUDITOR-GENERAL FINDINGS	20
Section 1: Auditor-General's Report for the Current year	21
Section 2: Historical Audit Findings and Remedial Action	21
Section 3: Commitment by the Board of Directors	21
Section 4: Mitigation strategies on the assessment of the Integrated Reporting and MFMA Circular 63 (Nkonki report)	21

STRUCTURE OF THE REPORT

National Treasury's MFMA Annual Report Circular 63 requires municipal entities to adopt the following format for an Annual Report:

- Chapter 1: Mayor's Foreword and Executive Summary
- Chapter 2: Governance
- Chapter 3: Service Delivery Performance
- Chapter 4: Organisational development performance
- Chapter 5: Financial performance
- Chapter 6: Auditor General's findings

Scope of report

The Annual report for 1 July 2014 to 30 June 2015 is in an integrated financial, social and economic report. The entity aligns itself local and international sustainability best reporting practices including the:

- Municipal Finance Management Act (MFMA)
- Public Finance Management Act (PFMA)
- Generally Recognised Accounting Principles (GAAP)
- Section 46(1) on the Municipal Systems Act (MSA)
- King III Code on Corporate Governance (KING III)
- Discussion papers issued by the South African Integrated Reporting Committee and the International Integrated Reporting Council (IIRC)
- International Financial Reporting Standards (IFRS)
- GRI Framework
- Millennium Development Goals
- Joburg 2040 Growth and Development Strategy (GDS)
- 2012/16 Integrated Development Plan (IDP)

The report considers economic, environmental, social and technical performance and is also available online on entity's website (<http://www.joburgcitytheatres.com>).

Materiality

The main areas covered in this report in terms of both current and future issues are based on what our stakeholders have said to us that they need to know, our business focus areas, priorities and the actively managed risks we face.

The entity has applied the principle of materiality in pertinent content and disclosure. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. The following internal and external criteria were used to identify material issues:

Internal Criteria	External Criteria
City of Johannesburg Growth and Development strategy (Joburg 2040 criteria and objectives)	Critical opportunities and challenges the Entity is geared to respond to.
National and Provincial outcomes of Government	Changes in the socio-economic developmental agenda and priorities of National and Provincial Government
Enterprise Risk Management Process; including key risks impacting Entity's strategic and operational objectives and the associated mitigating activities	Factors which may impact the Entity's reputation, thereby influencing its ability to promote sustainable growth

Stakeholder expectations and feedback – e.g. from residents, rate-payers, business community, Non-Governmental Organisations (NGOs), National and Provincial Government, neighbouring municipalities, designated targeted groups.	The provisions of various frameworks including: Municipal Finance Management Act (MFMA); Public Finance Management Act (PFMA) , Section 46(1) of the Municipal Systems Act (MSA); King III Code on Corporate Governance (King II) , International Financial Reporting Standards (IFRS); Millennium Development Goals; BBBEE Code.
The Entity's mission, vision and values.	
The Entity's governance framework and policy environment.	

Assurance:

The Entity's Annual report for the 2014/15 financial year was assessed and rated to ascertain whether minimum disclosure requirements were adhered to in terms of the following:

Integrated Reporting Framework	MFMA: Circular 63 Annual reporting requirements
Ethical Leadership and Corporate Citizenship	Mayor's Foreword Statement and Executive Summary Report
Boards and Directors : <ul style="list-style-type: none"> - Board Independence; - Board reporting ; - Boards performance; - Board Committees; - Director's remuneration; 	Governance <ul style="list-style-type: none"> - Governance structures; - Intergovernmental relations ; - Public Accountability Participation; - Supply Chain Management, By laws, oversight committees; - Risk management; - Anti-corruption and fraud; - Disclosure of financial interests; - Councilors and committee.
Audit Committees <ul style="list-style-type: none"> - Finance Competence; - Audit Committee performance; 	Service delivery
The Governance of Risk	Organizational Development performance
Compliance with Laws, Codes , Rules and Standards	Financial Performance
Internal Audit <ul style="list-style-type: none"> - Internal Audit Function; - Internal Controls 	Appendices; Annual Financial Statements
Governing Stakeholders Relationships	
Integrated Reporting Disclosure <ul style="list-style-type: none"> - Financial Disclosure; - Sustainability Disclosure; 	
Integrated Reporting Philosophy	

The mitigation strategies on the assessment and outcomes of the Entity's 2014/15 annual report in terms of the Integrated Reporting and MFMA Circular 63 has been included as part of this report (refer to Section 4 of Chapter 6 – Auditor General's findings).

The Entity will continue to refine its approach in future annual reports to further align with international reporting standards and to promote consistency and accountability with respect to its role in creating and sustaining value for all citizens of Johannesburg.

Section 5: Foreword by Member of the Mayoral Committee



Roodepoort City Theatre NPC has been transferred to Joburg Theatre SOC Ltd, since January 2013. The shareholder has resolved that the Board of Directors of Joburg Theatre oversee the winding up process of Roodepoort City Theatre.



Clir Nonhlanhla Sifumba
Member of the Mayoral Committee
Community Development

Section 6: Chairperson's Foreword

Insert Chairperson's photo



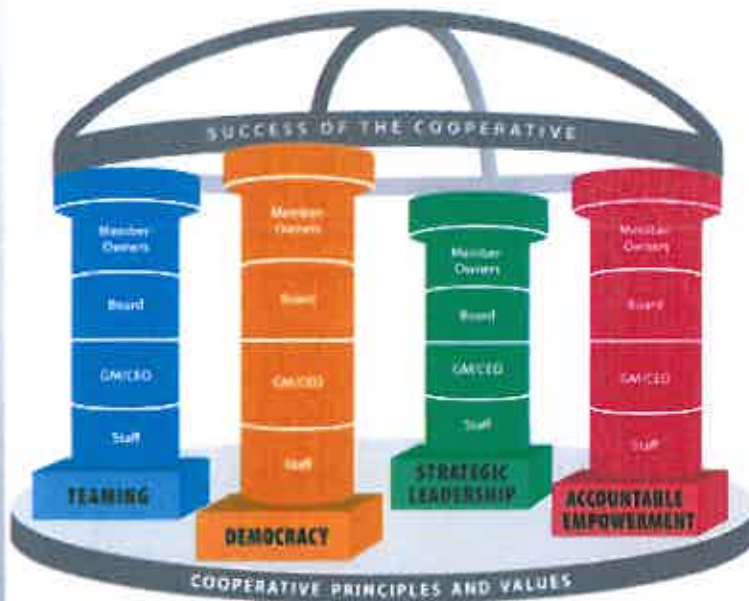
Roodepoort City Theatre (NPC) has been transferred to Joburg Theatre (SOC) Ltd. Deregistration process of the company is been conducted by the shareholder.

A handwritten signature in black ink, consisting of a stylized 'M' and 'S' that cross each other.

Dr Mongane Wally Serote
Board Chairperson

CHAPTER TWO

GOVERNANCE



Four Pillars of Cooperative Governance

The Four Pillars is a model that clarifies different components of cooperative-specific governance by defining four distinct roles and responsibilities. The Four Pillars are:

- Teaming
- Democracy
- Strategic Leadership
- Accountable Empowerment

Section 1: Corporate Governance Statement

To ensure accountability and governance arrangements are in place, Section 121(2) (c) of the MFMA supports the requirements of Section 18(1) (d) of the MSA: information on matters of governance should be communicated to communities. This should, according to Sections 65(1) (a) of the MFMA and 46 of the MSA be undertaken through the compilation and publication of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Application of King III

The entity applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in our governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the entity's compliance with King III Code on Corporate Governance forms part of the Shareholder mandate of the audit committee. The entity has complied with the Code in all respect during the year under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which *inter alia* regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King III Report for Corporate Governance for South Africa 2009 (King III). The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the Report's recommendations and the Board continually reviews our progress to ensure that we improve our Corporate Governance. During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act, the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with the terms of section 121 of the Municipal Finance Management Act.

For the JCT good governance means the competent management of the City resources under our control in a manner that is open, transparent, accountable, equitable and responsive to needs of the people. Through the approved Business Plan, performance measurements and systems, as well as the commitment to the Company approved values we subscribe to the value based principles of responsibility, accountability, fairness, transparency and ethical leadership. The company strive to fully entrench these principles in our day-to-day operations.

Group's Governance Framework

COJ has resolved to develop the Governance Framework in compliance with the principles of good corporate governance to ensure that the provision of municipal services to the residents of COJ is done in an efficient and sustainable manner.

The Governance Framework is intended to assist JCT, its officials and all stakeholders to better understand the governance structure and principles required to ensure effectiveness and accountability.

It aims to ensure that there are proper governance structures that enable effective communication between COJ and its entities without encroaching on one another's legislative powers and duties. It contains the guidelines that enable effective communication between COJ and local community to ensure effective service delivery. JCT as defined in the Municipal Systems Act as: a company under the ownership and control of a municipality; having assigned financial and operational authority to carry on a business activity; and providing goods or services in accordance with ordinary business principles.

The MEs were established as autonomous companies in terms of the Companies Act. Overall responsibility is vested in a board of directors, including executive and non-executive directors. A managing director is charged with day-to-day operational responsibility. The board and managing director are responsible for developing a

business plan that specify services, revenue, efficiency and customer care improvement, safety standards, environmental protection, social and economic development and new income ideas.

The status quo remains and through the Governance Framework the City endeavours to enhance and clarify the roles and responsibilities of different stakeholders and enhances oversight, monitoring and evaluation within the Group functions.

The framework sets out corporate governance principles and processes that must be put in place so as to achieve greater value by the City and the MEs. It aims to provide consistency between COJ departments and MEs to ensure an effective service delivery.

The main objective of the Governance Framework is not to change the current organizational structure, but to ensure that the City realize its long term vision, namely, Growth and Development Strategy 2040 ("COJ 2040 Strategy").

The entity applies the governance principles contained in King III and continues to further entrench and strengthen recommended practices in our governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, the City of Johannesburg Metropolitan Municipality as a sole shareholder and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the entity's compliance with King Code on Corporate Governance forms part of the mandate of the audit committee. The entity has complied with the Code in all respect during the year under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which *inter alia* regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King Report for Corporate Governance for South Africa 2009 (King III). The Company steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III Report. Ongoing steps are however taken to align practices with the Report's recommendations and the Board continually reviews our progress to ensure that we improve our Corporate Governance. During the year under review the Company entrenched its risk management reviews and reporting and compliance assessments were conducted in terms of the Companies Act and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with the terms of section 121 of the Municipal Finance Management Act.

Ethical Leadership

The board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company's establishment in XXXX.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the company's stakeholders.

Corporate Citizenship

The board and management recognise that the entity is formed under a political structure. As such, it has a social and moral standing in society with all the attendant responsibilities. The board is therefore responsible for ensuring that the entity protects, enhances and invests in the well-being of the economy, society and natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined in international conventions on human rights.

Compliance with laws, rules, codes and standards

The board is responsible for ensuring that the entity complies with applicable laws and considers adhering to non-binding rules, codes and standards.

The entity is a wholly owned company of the City of Johannesburg and is thus subject to a wide range of legislation applicable to government entities. As such compliance remains a core focus for the company to ensure that we are able to monitor our compliance in a holistic manner. The Memorandum of Incorporation has been considered and approved by our Board of Directors and signed by Shareholder.

The company has approved the Code of Conduct in line with the municipal Systems Act No 32 of 2000 for management of ethics and declarations of interests for purposes of transparency and compliance with King III.

Accountability

The Board is responsible for the preparation and presentation of the information contained in the financial statements in accordance with applicable laws and regulations. The Board is satisfied that the statements give a true and accurate view of the results and state of affairs of the company. An independent examination of the financial statements has been carried out by the external auditors in accordance with International Auditing Standards and as far as the Board is aware no relevant audit information which may have had a bearing on the outcome of these statements was withheld from the auditors. The financial statements were prepared in accordance with Generally Recognised Accounting Practice (GRAP). The Board has considered the correctness of the information contained in the integrated report and is satisfied that this provides a true and correct reflection of the business and activities of the JCT. The annual financial statements included in this integrated report have been prepared on the *'going concern'* basis and the directors believe that the company has adequate resources to continue to operate for the foreseeable future. The Board has responsibility for the system of internal control which enables it, together with the combined assurances provided by management, Group Risk and Assurance Services (GRAS) and Sub-Committees, to provide a reasonable assurance against material misstatement and loss and of the maintenance of proper accounting records and reliable financial information. The Board is also responsible for ensuring the adequate prevention and detection of fraud and irregularities and the safeguarding of the company assets. The company has an independent whistle blowing facility hotline which provides all stakeholders with a mechanism for the reporting of irregularities. The internal control system is evaluated by the Audit and Risk Committee (ARC) and GRAS in accordance with the annually approved audit coverage plan.

Section 2: Board of Directors

Board of Directors



DR MONGANE WALLY SEROTE
Chairperson



MS XOLISWA NDUNENI-NGEMA
Chief Executive Officer (CEO)



MR SOLOMON MPHAKATHI
Chief Financial Officer (CFO)



MR ISHMAEL MKHABELA
Non-Executive Director



MR MAVUSO SHABALALA
Non-Executive Director



MS LORRAINE MALEBO
Non-Executive Director



BISHOP EUGENE SINCLAIR
Non-Executive Director



MR MABUTHO KID SITHOLE
Non-Executive Director



MS TODD TWALA
Non-Executive Director



MR SIPHO SITHOLE
Non-Executive Director



ADV JOHNNY MODIPA
Non-Executive Director

BOARD OF DIRECTORS' PROFILES

PROF MONGANE WALLY SEROTE (CHAIRPERSON)

Mongane Wally Serote was born in Sophiatown, north of Johannesburg, in 1944. He attended school in Alexandra. The political conditions of the time led him to develop an interest in the Black Consciousness (BC) philosophy and the anti-apartheid struggles of the day. Upon leaving school, Serote began working as a journalist. More widely known as "Wally", Serote is generally regarded as one of South Africa's pre-eminent poets and writers. He is renowned as one of the Soweto poets who embodied the literary revival of black voices in the 1970s. Serote's poems projected a stark and realistic picture of the apartheid regime. His resistance to the unjust regime extended outside of poetry through active involvement in political resistance by joining the African National Congress (ANC).

In 1969, Serote was arrested and detained without trial in accordance with the regime's Terrorism Act. During his entire incarceration, he was kept in solitary confinement.

In 1973, after having published his first anthology of poems called *Yakhal'nkomo* the year before, Serote won the Ingrid Jonker Poetry Prize. The following year, he was granted a Fulbright Scholarship and travelled to Columbia University to complete a master's degree in Fine Arts. His poems, particularly those from his first two anthologies, have been lauded as pivotal to the rise of the BC movement in South Africa.

After Serote returned from his studies in the United States of America in 1979, he chose to go into self-imposed exile in Botswana. Once in that country, Serote continued his resistance against apartheid, largely through the work he did by joining the Medu Arts Ensemble. In 1986, Serote relocated to London where he began working for the ANC's Department of Arts and Culture. Serote eventually returned to South Africa in 1990, shortly after the ANC was unbanned. In 1994, he served as a chairperson of the Parliamentary Select Committee for Arts and Culture.

Mongane Wally Serote spent his lifetime expressing the injustices and harsh realities of life for black people under apartheid. He was an active member of the Liberation Army, *Umkhonto We Sizwe*. His work has inspired, and continues to inspire generations of youth throughout South Africa, Africa and the world. He has been awarded several National and International awards, including the Noma Award for Publishing in Africa (1993); the Pablo Neruda award from the Chilean government (2004) and the Order of Ikhamanga in Silver (South Africa). His contribution to the South African literary arena has been invaluable. His thought-provoking poetry not only expressed the effects that oppression had on South Africans, but it also stands as a timeless body of work that marks an important period in South Africa's history.

MR ISHMAEL MKHABELA

shmael holds a BA Degree (University of the North/Limpopo) and Management Advancement Programme (Wits Business School). He is a freelance professional community organiser, conflict and disputes resolution practitioner, social entrepreneur and activist, development and scenarios-based strategic conversations facilitator. He serves and has served and chaired numerous company boards and trusts.

MR MAVUSO SHABALALA

Mavuso Shabalala has 18 years operational and strategic level experience as a Human Resource Practitioner, which was obtained mainly in the Financial Services and Public Sector, including Liberty Life and Stanbic Africa, and the International NGO sector, for Oxfam Great Britain and Oxfam International. He has consulted for the City of Tshwane Metropolitan Municipality, Rustenburg Local Municipal Municipality and the City of Joburg and Special Investigating Unit, which has provided him an appreciation of some of the challenges faced by public sector entities. He has served for over 5 years on the Board of Directors of the City of Joburg's Roodepoort City Theatre, where he also served as Chairperson of Board Committee on Human Resources and was a member of the Audit Committee.

MS LORRAINE MALEBO

Lorraine Malebo worked for the Namibian Solidarity Committee which was as established by the then UDF. She later joined government as the Municipal Manager for a District municipality; Deputy Director for Department of Public Works as a Programme Manager for Community Based Projects managing 3 provinces Limpopo, Mpumalanga and Free State; and Assistant Director Implementing Rapid Land Programme for the Gauteng Dept of Development Planning and Housing. She is currently contracted with the Gauteng Department of Community Safety, implementing a turnaround strategy for the Gauteng Traffic Training College, Pretoria.

MR MABUTHO KID SITHOLE

Mabutho has over 30 years experience in all forms of public speaking and performing arts. He is aptly described as a man for all seasons. He has a long history of stage acting and is a well-known stand-up comedian. Mabutho has played roles in various television films, series, talk shows and educational programmes, as well as various local and international films. He is President of the Creative Workers Union of South Africa.

MS TODD TWALA

Todd is a well-known South African actor, singer, dancer, producer and choreographer. Her career in musical theatre, both in her home country and abroad, spans nearly 3 decades. She has run dance workshops in disadvantaged communities and townships since 1996. Todd is currently the director and organiser of a school for professional dancing and singing training.

MR SIPHO SITHOLE

Sipho Sithole is an award winning producer and former Deputy Managing Director of Gallo Music Group. He is the founder of a leading independent record label, production house and artist management company 'Native Rhythms Productions. His work has been showcased widely on South African television.

Sipho is credited with coining the now most popular genre in South Africa, 'Afro- soul', after his successful signing and producing of artists such singer songwriters who later dominated the Afro-Soul scene in the country and is considered to be the first music executive to mainstream hip hop in South Africa.

The most sought after producer and speaker at music markets locally and abroad, Sipho has participated and presented papers in music markets in South America, Indian Ocean Islands, West Africa, Porto Musical (Brazil), IOMMA (Reunion Islands), Atlantic Music Expo (Cape Verde), Moshito (South Africa) and was requested by the Dept. of Arts and Culture to present a paper in Lost Angeles at the Film and Music Conference, and by the NAC to facilitate a music market discussion at SA-French Season in Paris, as well as an invitation by WOMEX to present a paper on African Music markets under the banner of Africa Music Forum, which he is a founding member.

Sipho is currently Group Chief Strategy Officer at the Passenger Rail Agency of South Africa (PRASA). He chairs Moshito Board. He holds a BSc and MSc degrees from USA and England, respectively and PhD from University of Witwatersrand.

BISHOP EUGENE SINCLAIR

Eugene is the owner of Life Image Funeral and Memorial Services CC a Funeral undertaking company since 2008. He is an ordained Bishop who is involved in Christian leadership for the past 19 years with various ministries. He was ordained at the age of 18 as a minister of the gospel. He is currently serving in the Gauteng Provincial Faith-Based sector under the leadership of MEC Nandi Mayathula-Khoza and is also the Deputy Secretary of the Faith-Based Organization within the Joburg region under MMC Nonceba Molwele. His faith gives him strength and purpose to be an inspiring motivational speaker, connector, mentor, and life coach. He believes that he has been created to be the very best he can be and pursues his personal greatness with conviction. He possesses high ego strengths which develops his self-worth continuously. He motivates others with his contagious enthusiasm.

Eugene has 17 years employment experience which progressed from Sales Correspondent, Financial Advisor, Office Administrator and Bereavement and marriage counselor. He has extensive knowledge and experience in the financial and administrative field with excellent interpersonal, leadership, communication skills and computer skills. He has been working at an executive level for the past 12 years and has developed a strong understanding of the corporate etiquette and discretion required to function successfully at this level.

ADV MOTSAMAI JOHNNY MODIPA

Advocate Johnny Modipa is a non-practicing advocate of the High Court of South Africa. He joined Joburg City Theatres (RF) SOC Ltd's ("JCT") board of directors in March 2016.

Amid his areas of expertise is commercial law and labour, providing legal opinions relating to the Broad-Based Black Economic Empowerment ("BBBEE") and economic transformation matters. In addition, Adv. Modipa is a member of the Remuneration, Social and Ethics Committee (RemSec) at JCT. Based on his legal expertise, as part of Remsec, he partakes in strategically guiding the organisation's corporate social responsibility and sustainability.

Adv. Modipa also practices speech and article extramural writing for individuals and associations, respectively. Some of his publications include articles for Teachers' Monthly, an email newsletter written for teachers and anyone interested in education in South Africa.

MS XOLISWA NDUNENI-NGEMA (CEO)

Xoliswa has an extensive track record in the arts, having been in the industry for more than twenty years serving in various portfolios and positions within the public and private sector. She was the former CEO of the South African State Theatre in Pretoria and former Project Manager of the Newtown Cultural Precinct.

In Newtown, Xoliswa left a trademark of festivals and concerts that were the first for the City of Joburg. She was previously CEO of Bassline Music Centre and Director and Producer for Sibojama Theatre, a company established by Hugh Masekela and James Ngcobo. Xoliswa also served as Council Member of Windybrow

Theatre, a Board Member of Emthonjeni Arts Residency and Dance Umbrella and a Director of the Joburg Fashion District.

MR SOLOMON MPHAKATHI CA(SA) (CFO)

Solomon is a qualified chartered accountant with more than 10 years' experience in the finance and auditing field was born in the then Transkei in the district of Engcobo in 1979. He graduated his Bcom (Acc) degree from the University of Fort Hare. He then went to further his studies in commerce with the University of Port Elizabeth where he graduated with a certificate in financial accounting. In 2004 he completed his Bcom (Acc) Hons with the University of Kwazulu Natal. He trained for the CA qualification in the Office of the Auditor General where he amassed a lot public sector experience.

On completion of his training he then joined Engen Petroleum Limited in Cape Town in their internal audit division. A year later he joined one the then biggest internal audit departments at Eskom where he held a position of a Senior Audit Advisor. He then joined Transnet Engineering as Corporate Governance Manager responsible for continuous internal controls improvement and monitoring, investigations and maintenance of good corporate governance practices. At a later stage he promoted to a position of Senior Finance Manager responsible for the whole financial management and financial discipline of one the biggest businesses in Transnet Engineering.

Attendance at meetings held during the year was as follows:

JOBURG THEATRE: NON-EXECUTIVE DIRECTORS (NED) AND INDEPENDENT AUDIT COMMITTEE MEMBERS (IAC)																	
NAME	BOARD MEETING	BOARD TASK TEAM MEETINGS	CHAIRPERSON'S QUARTERLY	GROUP AUDIT COMMITTEE	GROUP RISK GOVERNANCE COMMITTEE	AUDIT & RISK COMMITTEE	REMUNERATION, SOCIAL & ETHICS COMMITTEE	AC & REMSEC WORKSHOP	ARTISTIC COMMITTEE	BUDGET LEGGOTLA	ANNUAL GENERAL MEETING	STRATEGIC PLANNING PERSON	RISK ASSESSMENT WORKSHOP	SHAREHOLDER COM/PACT & NED/IAC INDUCTION	ATTENDANCE FOR RETAINER FEES 2015/16	TOTAL	
Number of Meetings	5	1	-	-	-	-	-	-	-	-	1	1	-	-	100%	8	
Mongane Serote (Board Chairperson)	5	1	-	-	-	-	-	-	-	-	1	1	-	-	100%	8	
Mevuso Shabalala (NED) (ARC Chair)	5	1	-	2	-	5	-	-	-	-	1	2	2	-	100%	18	
Ishmael Mkhabela (NED) (RemSec)	4	1	-	-	-	-	1	-	-	-	1	1	-	-	80%	7	
Mabutho Sithole (NED)	4	-	-	-	-	-	-	-	2	-	1	1	-	-	80%	8	
Todd Twala (NED)	5	-	-	-	-	-	1	1	2	-	1	1	-	-	100%	11	
Lorraine Malebo (NED)	3	-	-	-	-	-	2	1	1	-	1	1	-	-	60%	9	
Siphiso Sithole (NED)	1	-	-	-	-	-	1	-	1	-	1	1	-	-	20%	5	
Mona Mokoena (NED) #	-	-	-	-	-	-	-	-	1	-	-	-	-	-	0%	1	
Eugene Sincclair (NED)	5	-	-	-	-	-	2	1	-	-	1	1	-	-	100%	10	
Kobus Froneman (IAC) %	-	-	-	-	-	3	-	-	-	-	-	-	-	-	60%	3	
Tshidi Molala (IAC)	-	-	-	-	-	3	-	-	-	-	-	-	-	-	60%	3	
Chrystal Cape (IAC)	-	-	-	-	-	5	-	-	-	-	-	1	1	-	100%	7	
Manana Moroka (IAC) *	-	-	-	-	-	-	-	-	-	-	1	-	1	-	100%	2	
Jonny Modipa**	1	-	-	-	-	-	-	-	-	-	1	-	-	-	100%	2	

Mona Mokoena (NED) #	Retired on 15 March 2016
Kobus Froneman (IAC) %	Retired on 15 March 2016
Manana Moroka (IAC) *	Appointed on 15 March 2016
Jonny Modipa**	Appointed on 15 March 2016

The Board of Directors has adopted the Board Charter which encapsulates the City of Johannesburg Governance Protocol and includes matters of ethics, procedure and the conduct of committee members. Registers are kept and updated on the disclosure and declaration of interests of directors and senior management. The Board and Senior Management ensure that there is full material compliance to all relevant legislation.

Section 3: Board Committees

The board committees assist the Board in the discharge of its duties and responsibilities. Each board committee has formal written terms of reference that are reviewed annually and effectively delegated in respect of certain of the board's responsibilities. The board monitors these responsibilities to ensure effective coverage of, and control over, the operations of Joburg Theatre. The following committees have been formed, each of which is chaired by a non-executive director:

- Audit and Risk Committee
- Remuneration, Social and Ethics Committee
- Artistic Committee

3.1 Audit and Risk Committee

The Audit and Risk committee consist of three independent audit committee members and two non-executive directors:

- Mr Mavuso Shabalala (Non-Executive Director - Chairperson)
- Mr Jacobus Froneman* (Independent Audit Committee Member)
- Ms Tshidi Molala (Independent Audit Committee Member)
- Ms Chrystal Cape (Independent Audit Committee Member)
- Ms Margaret Moroka** (Independent Audit Committee Member)

* Retired 15 March 2016

** Appointed 15 March 2016

The role of the audit and risk committee is to assist the board by performing an objective and independent review of the functioning of the organisation's finance and accounting control mechanisms. The audit and risk committee exercises its functions through close liaison and communication with corporate management and the internal and external auditors. The committee met five times during the year under review.

The audit and risk committee operates in accordance with a written charter authorised by the board, and provides assistance to the board with regard to:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities;
- Matters relating to financial accounting, accounting policies, reporting and disclosures;
- Internal and external audit policy;
- Activities, scope, adequacy and effectiveness of the internal audit function and audit plans;
- Review/ approval of external audit plans, findings, problems, reports and fees;
- Compliance with the Code of Corporate Practices and Conduct; and
- Compliance with code of ethics.

The committee has been delegated the task of overseeing the quality, integrity and reliability of the company's risk management function. In terms of its mandate, it reviews and assesses the integrity and the quality of risk control systems and ensures that risk policies and strategies are effectively managed.

The audit and risk committee addressed its responsibilities properly in terms of the charter during the year under review. No changes to the charter were adopted during the year under review. Management has reviewed the annual financial statements with the audit and risk committee.

The audit and risk committee considers the annual financial statements of the entity to be a fair presentation of its financial position on June 30th 2016 and of the results of its operations, changes in equity and cash flow for the period ended then in accordance with GRAP and the Companies Act.

3.2 Remuneration, Social and Ethics Committee

The Remuneration, Social and Ethics committee consists of the following non-executive directors:

- Mr Ishmael Mkhabela (Chairperson)
- Ms Lorraine Malebo
- Bishop Eugene Sinclair
- Mr Siphosiso Sithole
- Advocate Johnny Modipa

The committee met twice during the year under review.

Section 43 (5) of the Companies Regulations, 2011 states that the Social and Ethics Committee has the following functions:

- (a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - (i) Social and economic development, including the company's standing in terms of the goals and purposes of:

- (aa) the 10 principles set out in the United Nations Global Compact Principles; and
 - (bb) the OECD recommendations regarding corruption;
 - (cc) the Employment Equity Act; and
 - (dd) the Broad-Based Black Economic Empowerment Act;
- (ii) Good corporate citizenship, including the company's:
 - (aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - (bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - (cc) record of sponsorship, donations and charitable giving;
 - (iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;

The social and ethics committee advises the board on remuneration policies, remuneration packages and other terms of employment for all directors and senior executives. Its terms of reference also include recommendations to the board on matters relating *inter alia*, to general staff policy remuneration, bonuses, executive remuneration, director's remuneration and fees, service contracts, and retirement funds. The independent professional advisors advise the committee when necessary.

3.3 Artistic Committee

The Artistic committee consists of the following non-executive directors:

- Mr Mabutho 'Kid' Sithole (Chairperson)
- Ms Todd Twala
- Mr Sipho Sithole

The committee met twice during the year under review.

The Artistic Committee role and responsibility is to advise the Board in relation to Arts Programming matters of Joburg City Theatres.

Section 4: Director's Remuneration

4.1 Entity's remuneration policy

Non- executive directors are appointed in accordance with the Governance Framework of the City of Johannesburg (See Governance Report). The Directors' Remuneration Policy is determined by the City of Johannesburg, as the sole Shareholder, and is approved at the Annual General Meeting. The directors' fee is determined in accordance with the Remuneration Policy of the City of Johannesburg. The City of Johannesburg, as Shareholder, has confirmed that non-Board members (Independent Audit Committee Members) who serve on Committees will be remunerated as full Committee members. Fees paid to non-executive directors (including committee members) for the 2014/15 period.

Section 5: Company Secretarial Function

Primary function of the company secretary is to act as the link between the board and management and to facilitate good relationships with the shareholders. The company secretary is responsible for the general administration, more specifically to ensure compliance to good corporate governance practices and to provide guidance to the directors on corporate governance principles and applicable legislation. During the period under review, position the company secretary was vacant. However, an incumbent was appointed by the Board on an acting basis.

CHAPTER FIVE

FINANCIAL PERFORMANCE



(This Chapter should contain the audited financial statements of the entity, the audit report of the Auditor-General for each financial statement and other disclosures required by legislation, either through direct reporting or notes to the accounts. [Refer to the content and format of the financial statement as discussed above]

Notwithstanding anything discussed above, the financial statement should also disclose information on intergovernmental grants and transfers and remuneration of councillors, officials and members and officials of municipal entities and additional disclosures in sections 123 to 125 of the MFMA).

- **DIRECTORS RESPONSIBILITY AND APPROVAL**
- **AUDIT COMMITTEE REPORT**
- **REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA**
- **DIRECTORS REPORT**
- **COMPANY SECRETARY'S CERTIFICATION**
- **STATEMENT OF FINANCIAL POSITION**
- **STATEMENT OF FINANCIAL PERFORMANCE**
- **STATEMENT OF NET ASSETS**
- **CASH FLOW STATEMENT**
- **ACCOUNTING POLICIES**
- **NOTES TO THE ANNUAL FINANCIAL STATEMENTS**
- **STATEMENT OF COMPARISON OF BUDGET TO ACTUAL & ADJUSTED BUDGET**
- **REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND LEGAL PROCESS**

CHAPTER SIX

AUDITOR-GENERAL AUDIT FINDINGS



KEY ACHIEVEMENTS

- **Highlights of the current audit opinion**
- **Progress made on resolving historical audit findings**
- **etc.**

Section 1: History of Auditor-General Findings

Report of the auditor-general to the Gauteng provincial legislature and the council of the City of Johannesburg Metropolitan Municipality on Roodepoort City Theatre

Report on the financial statements

Introduction

1. I have audited the financial statements of the Roodepoort City Theatre set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipal entity's preparation and fair presentation of the financial statements 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 municipal entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Roodepoort City Theatre as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and the Companies Act.

Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. There are no matters to report, as the municipal entity was dormant for the year under review.

Compliance with legislation

9. I performed procedures to obtain evidence that the municipal entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Johannesburg

30 November 2016



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Refer to the Annual Financial Statements set out in Chapter 5 and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter.

Include a comparison of the previous audit opinions and share a narrative that analyses the reasons for the outcome of the opinion. This should be at a high level to assist the reader in understanding the reasons for the audit outcomes.

Section 2: History of Auditor-General Findings

	2012/13	2013/14	2014/15	2015/16
Financial Audit Opinion	Unqualified	Unqualified	Clean	
Performance Audit Opinion	Unqualified	Unqualified	Clean	

Section 2: Historical Audit Findings and Remedial Action

This section should deal with the corrective actions and the progress made in relation to the issues raised in the previous financial years. This section highlights the repetitive nature of the audit findings and requires comment by the leadership on the actions that are or will be put in place to resolve them.

ANALYSIS OF 2013/14 AUDIT FINDINGS

	NEW IN 2014/15	REPEAT FINDING	ACTIONS TO RESOLVE
Matters affecting Audit opinion		0	
Important Matters			
Administrative Matters			

Section 3: Commitment by the Board of Directors

This section should provide a statement/clause from the Board that it has satisfied itself that the remedial actions taken or to be taken on matters raised by the Auditor-General are adequate.

To be signed by the Chairperson of the Board and Audit Committee

As submitted to the Auditor-General on 31 August 2015

In order to achieve compliance with the Auditor-General directive, the performance assessment (as per section 121(4)(c)) compare the actual performance against the measurable performance objectives set in the SDAs and other agreements between the entities and the COJ.

The practice has been to compare performance against the City's IDP and scorecard. The final result may be the same, but it is prudent to mention the fact that the performance is compared to the SDA's objectives (as contained in the IDP and scorecard.)

Further a short discussion of internal controls and system descriptions should be included in the assessment. This should be followed by a short discussion on the objectives, with regards to the measurability (specific, measurable and time bound) and consistency thereof.

The performance must be stated and compared to the objectives. The practice of doing this under the heading of KPA's and thereafter by considering the performance against individual KPI's would most likely be compliant.

Section 4: Mitigation strategies on the assessment of the Integrated Reporting and MFMA Circular 63

(The entity should provide mitigation strategies in relation to the service provider's report on the assessment of the City's entity's annual reports in terms of integrated reporting and MFMA circular 63 requirements for the 2013/14 financial year)