The Playhouse Company

an agency of the
Department of Sport, Arts & Culture

Annual Report
2025/26

Annual Report 2025/26

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PART A

1.PUBLIC ENTITY'S **GENERAL INFORMATION**

Registered Name:	The Playhouse Company
Physical Address:	20 Acutt Street, Durban, 4001
Postal Address:	P O Box 5353, Durban, 4000
Telephone Number:	+27 (0)31 369 9555
Fax Number:	+27 (0)31 306 2166
Email Address:	cfo@playhousecompany.com
Website Address:	www.playhousecompany.com
External Auditors:	The Auditor-General of South Africa
Bankers:	First National Bank

2. LIST OF ABBREVIATIONS/ACRONYMS

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

3. FOREWORD BY CHAIRPERSON

It is my privilege to present the 2025/2026 Annual Report of The Playhouse Company, a year marked by continued renewal and a reaffirmation of our mission to serve as a leading hub for artistic excellence, cultural expression, and inclusive storytelling. We also extend a warm welcome to the Council members appointed by the Honourable Minister of Sport, Arts and Culture to serve the current term. We are honoured to lead The Playhouse Company at this important juncture and sincerely appreciate the Minister's confidence in our collective leadership.

The Playhouse Company is proud to report that we have once again achieved a clean audit from the Auditor-General of South Africa. This accomplishment reflects the diligence, integrity, and professionalism of our management team and staff in upholding the highest standards of governance, transparency, accountability, and sound financial management. As the Council, we remain steadfast in strengthening these principles as the foundation of public trust, institutional sustainability, and organisational excellence. Throughout the reporting period, The Playhouse Company continued to fulfil its mandate by producing and presenting high-quality performances, engaging communities, and nurturing emerging artists across multiple artistic disciplines. Our work remains firmly grounded in a commitment to accessibility, inclusivity, artistic excellence, and the celebration of South Africa's rich cultural diversity.

Looking ahead, one of our strategic priorities will be to strengthen partnerships with the private sector. These collaborations are essential to expanding opportunities for our artists, opening new markets both nationally and internationally, and contributing to the growth of South Africa's creative economy. By fostering stronger relationships with business, we can create sustainable commercial pathways that enable artists to broaden their reach, strengthen their careers, and enhance the impact of their work.

We convey our sincere gratitude to the National Department of Sport, Arts and Culture for its continued operational grant funding, which remains fundamental to sustaining the Company's operations and core programmes. We also extend our appreciation to the KwaZulu-Natal Department of Sport, Arts and Culture for its invaluable support of our artistic programme. This continued investment ensures that our theatres remain vibrant spaces where local talent can flourish and audiences can experience the richness, diversity, and transformative power of South African storytelling.

On behalf of the Council, I extend my heartfelt thanks to the executive management team, staff, artists, partners, patrons, and all our stakeholders for their unwavering commitment and support. Your dedication continues to strengthen The Playhouse Company and enables us to fulfil our public mandate with excellence and integrity.

Together, we look forward to building on this strong foundation and ensuring that The Playhouse Company remains a beacon of artistic excellence, innovation, transformation, and cultural leadership for generations to come.

Khwezi Kunene
Chairperson of Council

THE CRY OF WINNIE MANDELA

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

The 2025/2026 financial year marks another significant milestone for The Playhouse Company, as we celebrate 16 consecutive years of clean, unqualified audit reports.

This remarkable achievement reflects our unwavering commitment to good governance, accountability, sound financial management, and artistic excellence. It is a testament to the values that have guided our organisation for more than a decade and reinforces our culture of ethical leadership, transparency, and governance best practice.

These achievements would not have been possible without the dedication, professionalism, and excellence of our staff, management team, and Council, whose collective commitment continues to uphold the highest standards and safeguard the integrity of our organisation. Over the past year, The Playhouse Company reaffirmed its commitment to inclusive, accessible, and impactful artistic programming.

Despite a challenging financial climate, we presented 365 performances, created employment opportunities for 9 356 artists, and welcomed 171 049 audience members. These achievements demonstrate the continued relevance of our work in bringing South African stories to life while engaging audiences through productions that reflect our diverse cultural heritage and contemporary social realities.

Our sincere appreciation goes to the National Department of Sport, Arts and Culture for its operational grant funding and to the KwaZulu-Natal Department of Sport, Arts and Culture for its continued support of our artistic programme. We also extend our heartfelt thanks to the artistic community for its resilience and creativity, our loyal patrons for their steadfast support, and the media for helping us share our stories with wider audiences. Your partnership remains fundamental to our continued success.

Finally, I extend my sincere congratulations and gratitude to every member of the Playhouse family. Your passion, dedication, and unwavering commitment have made these achievements possible. Together, we will continue to build on this legacy of excellence, demonstrating the transformative power of the arts to unite communities, preserve our cultural heritage, and inspire future generations.

Lynda Bukhosini
Chief Executive Officer & Artistic Director

PRODUCTIONS
113

AUDIENCE
171 049

ARTISTS
9 356

PERFORMANCES
365

IN-HOUSE PRODUCTIONS			
ARTISTS	PRODUCTIONS	PERFORMANCES	AUDIENCE
3 658	39	158	99 409

A Christmas Celebration

TEST DRIVING THE ARTS

Ofeleba With Vusabantu Ngema (Mc) • Amazing Grace with Bongani Stanley Mbatha (Mc)
Ama-Zebra with Thami Sikhosana (Mc) • Ikusasa Elihle with Bazini Msomi (Mc)
Aim of God and Ntombi Gasa (Mc) • Kangaroo Zulu Dancers with Zodumo Shange (Mc)

SUNDOWNER CONCERTS AND POETRY

Featuring:

Tzozo & Ngwenya (Page) • Sheila Da Blue Noe & Mthobisi Mthalane • Vumile Mngoma & KB Maphumulo

POETS

Langelihle Mthembu • Kush Mahleka • Ayabulela Nyawose

Bruce Buthelezi • Thando Fuze • Luyanda Mlotshwa

INDIGENOUS PERFORMING ARTS

Sishaya Ingoma Competition

- **MCs**: Juba Special Dlamini & Bingelela Mpanza
- Thanda Ndlovu: **Adjudicator**
- Musa Hlatswayo: **Adjudicator**
- Siya Manqele: **Timekeeper**

Umzansi

- Abafana Basemawoze
- Umthambo Wendlovu
- Amagugu Ezwe
- Nkonka Obomvu
- Khethelakhe
- Amashoba Ezinyathi

Isigekle

- Omama Bothuli
- Imbokodo Yasembo
- Masibemunye Ma-Afrika
- Omama Boxolo
- Asakhe
- Shosholoza

Ingoma Sikhuze

- Indlondlo Emnyama
- Ifu Elimnyama
- Duduzabantu
- Ingoma Yaka-Shozi
- Ndindiza
- Imfezi Emnyama

Ingoma Yezintombi

- Abafana Basemawoze
- Umthambo Wendlovu
- Amagugu Ezwe
- Nkonka Obomvu
- Khethelakhe
- Amashoba Ezinyathi

Ingoma Yezinsizwa

- Izichwe
- Amajuba Adlukhetho
- Abafana Bembube
- Ofelebe
- Abafana Benhlangwini
- Ezasendlunkulu

Indlamu

- Ifisokuhle
- Osizweni Theatre Production
- Indunkulu
- Amajuba Legends
- Amaqhawe Traditional Dance Project
- Ingqayizivele

Ushameni

- Inyoka Eluhlazana
- Ushikishi Lakwa Maphumulo
- Abafana Bosizo
- Niu Brothers
- Shanela
- Ushikishi Izangoma

Coppelia

ISICATHAMIYA COMPETITION

MC's: Thanda Ndlovu, Vicky Masuku & Leeh Hlophe
Adjudicators: Nkosingiphile Ncayiyana & Ntombifuthi Jean Richmond
Timekeeper: Charles Khuzwayo

Onobuhle Junior

Chunyiswa Chiya | Siphelele Makhungo | Kayise Nomkhosi Kunene | Nobuhle Dlamini | Sphesihle Buthelezi
Thando Malevu | Silondiwe Dlamini | Siphumile Mgqila | Xolile Zulu | Asiphe Mlangeni

Onobuhle Senior

Nomanzi Phulo | No Khumalo | Nozipho Mbatha | Staff Dlamini | Mantombi Ndaba | Jabu Ntuli
Ngenzeni Ntanzi | Maureen Tembe | Deliwe Nkwanyana | Perceverance Mkhize | Dudu Dlamini

Oswenka Bothando Junior

Goodron Madonsela | Buhle Hlangabezo | Lizwi Zikalala | Vusumuzi Zulu | Muzomuhle Mlambo
Caiphus Radebe | Snakhokhoke Mncube | Ndabenhle Ntombela | Ayanda Nyamlo | Zama Sibiya

Oswenka Bothando Senior .

Edward Xulu | Dingani Zulu | Mongezi Mfene | Bhekizenzo Buthelezi | David Buthelezi
Mbuso Mazibuko | James Makhathini | Mbhekiseni Ngobese | Joseph Mahlobo | Zakheni Nwandwe

ISICATHAMIYA GROUPS

- Royal Messengers
- Rainbow Nation
- Inhlokomo
- Nmz Power Singers
- Combination Brothers
- Vifeps
- Xolo Can't Get
- Moyomusha
- New Generation
- SA Action Boys
- Nmz Combination
- Abafana Bokuthula Bangempela
- Ndwedwe Perfect Boys
- Nyuswa Home Boys
- Xolo Mission Boys
- Action Boys
- Inkululeko
- Oben 10
- James Black Birds
- United Brothers

COMMUNITY CONVERSATION

How Ai (Artificial Intelligence) is Impacting And Shaping The Creative Industries

Facilitator: Thando Nyameni

Panelists:

- Nick Matzukis
- Edmund Mhlongo
- Nkululeko Mthembu

Diversity & Inclusion in the Arts

Facilitator: Crystal Tryon-Smith

Panelists:

- Nokwe Nxaba
- Seshme Holloway
- Maashi Rampersad

The Cry Of Winnie Mandela

NEW STAGES

My Fellow South Africans

- Mike VanGraan
- Kim Blanche Adonis

King Of Broken Things

- Michael Broderick
- Cara Roberts

Vincent

- Daniel Anderson
- Paul Ferreira

Isicathamiya Concert

- Abafana Bokuthula
- Combination Boys
- Inkululeko
- Khalabhayi Boys
- Pomeroy Gordon Stars
- Royal Messengers
- Zulu Messengers
- Xolo Can't Get
- Nombika Black Boys

Coppelia

- CapeTown City Ballet
- KwaZulu Natal Philharmonic Orchestra

SOUTH AFRICAN WOMEN'S ARTS FESTIVAL

The Unlikely Secret Agent
- Erika Marais
- Luntu Masiza
- De Klerk Oelofse
- Sanda Shandu
- Ashley Dowds

Once Upon A Tune
- Zanne Stapelberg
- Alibe Van Schalkwyk
- Steven Stead

The Great Big Enormous Turnip
- Bryan Hiles
- Carla Roberts
- Lisa Goldstone

The Cry Of Winnie Mandela
- Kgomotso Matsunyane
- Thembisa Zam-Zam
- Mdoda Siyasanga Sibuyi
- Lesley Made
- Warona Jacinta Selma
- Seane Pulane Rampoana

Sophiatown
- Aubrey Sekhabi
- Terrence Ngwila
- Tshallo Chokwe
- Sandisile Dlangalala
- Nompumelelo Mahlangu
- Sindisile Nkuna
- Princess Sechele
- Gabrielle Georgeson
- Mncedisi Hadebe

The Unlikely Secret Agent

COMMUNITY ARTS MENTORSHIP PROGRAMME

Director: Nwabisa Plaatjie
Dance & Movement Mentor: Sandile Mkhize • **Music & Voice Production Mentor:** Xolisa Dlamini
Funding & Proposals Mentor: Jarryd Watson • **Poetry Creative writing Mentor:** Iain "Ewok" Robinson

Mentees:

- Emihle Mjila
- Kahlolo Letlaisa
- Nandi Jika
- Abigail Nkosi
- Angelique Ramjathan
- Londeka Nzimande

- Asanda Mjoli
- Bayanda Zondi
- Njabulo Mbambo
- Nkanyiso Mzobe
- Ntokozo Mthiyane

- Zinhle Dladla
- Minenhle Msweli
- Kholeka Shebi
- Zizipho Ntombela
- Lunga Qwabe

OKWETHU COMMUNITY ARTS FESTIVAL: MENTORS

uUGU District Mentors

- Howard Msomi
- Mbuso Pepu 'Sparks Bantwana'
- Goodness Duduzile Mbuyi

Amajuba District Mentors

- Thokozani Zulu 'Tzozo'
- Bhekani Shabalala
- Sithembiso Mhlanga

COMMUNITY ARTS FESTIVAL

- I Was Told
- What Happened To Mareen
- Shoe Man
- The First Eye
- Taxi Driver
- Two Sides Of The Coin
- Spirit of Oliver
- Am I A Hero
- The Curse
- Arranged Marriage
- After All

CHRISTMAS SEASON

UMANG - The Spirit of Kathak

- Manesh Maharaj Kathak Ensemble

Inkosi Yama Gcokama Live

- Ivulandlela Holdings (Pty) Ltd

A Christmas Celebration

- Ralph Lawson (Director)
- Ayanda Ntanzi
- Don Laka
- Timothy Moloi
- Krijay Govender
- KZN Philharmonic Orchestra

UMAG: The Spirit of Kathak

SCHOOLS SEASONS

Empowering Voices

- Thabo Mnguni – Director

Juvenile High

- Sabelo Jili – Director

CAF - Shoeman


The Playhouse Company
an agency of the

IN ASSOCIATION PRODUCTIONS			
ARTISTS	PRODUCTIONS	PERFORMANCES	AUDIENCE
1 509	13	115	22 390

Lu Dlamini Album Launch

- Lu Dlamini

Prestige Concert Series

- Choral Celebration Network Foundation

National Arts Festival 2025

- Mandela Bay Theatre Complex
- National Arts Festival

12th Durban Dance Movement Festival

- Mandela Bay Theatre Complex
- National Arts Festival

Annie The Musical

- The Young Performers Project NPC

Joseph Clark – The Music of Queen

- Elzette Maarschalk – Umkhiqizi
- Joseph Clark
- Axe Lourens

Dream On

- Des Govender – Umkhiqizi
- Young Performers Project

Shall We Dance

- South African Dance Teachers Assicaition

Thetha Mosadi

- African Sinakho Arts

A Fairytale Christmas Carol - The Musical

- The Young Performers Project NPC

Nokusa Disability Program

- Nokusa Support For Disabled People

Getting Tested Theatre Production

- Injngayombuso Investment

Omama Abahlobisi Bomhlaba

- Stoneface Communications PTY (LTD)

Amaqhawe Esizwe Music Festival

- Lions River Holdings (PTY) LTD

King Cetshwayo The Musical

- Wushwini Pan African Centre

Annie The Musical

OUTSIDE HIRERS

ARTISTS	PRODUCTIONS	PERFORMANCES	AUDIENCE
4 189	61	92	49 250

The Promise Fulfilled
- World Gospel Impact Church

The Sjava 2018 Tour
- Sjava

Spreading Humours
- M2N Services

Songs and Hymns
- The Zulu Kingdom Choir

P.L.L.U.M. Annual Gala Dinner and Awards Ceremony
- Wendy Conner

Memorial Service
- Afrcan National Congress Women League

Grace Notes: Phindi P Live
- Phindi P Ventures

Our Halls of Fame
- KZN Dance Centre

Make Me Dance
- Iskcon KZN

Book Launch: Odyssey of Liberation
- The Sikhakhane Foundation

Candlelight Concert: Tribute to Coldplay and Tribute to Queen
- Fabulous Affairs t/a Event Assist

ANCYL Lecture
- African National Congress Youth League

Thumbelina
- Michelle Clark Dance Academy

KZNPO WSS Winter Concert 1
- KwaZulu Natal Philharmonic Orchestra

Nontokozo Mkhize Live
- Sginci Media (PTY) LTD

Zoe Modiga Uyakhazimula Tour
- Banda Banda Agency

Simphiwe Dana: 20 years of Music
- Dokoda Management Collective

Have You Seen Zandile
- Nkosingiphile Dlamini

KZNPO WSS Winter Concert 2
- KwaZulu Natal Philharmonic Orchestra

Little Shop Of Horrors
- Northcliff High School

Esokuqala
- Ulozolo Youth Organisation

ATKV
- ATKV - MSW

Candlelight Concert: Tribute to Coldplay feat Vivaldi's Four Seasons
- Fabulous Affairs t/a Event Assist

KZNPO WSS Early Spring Concert 1
- KwaZulu Natal Philharmonic Orchestra

Hymns According to Fisani

- Fisani Masinga Music

Riqueza Wealth Conference

- Riqueza Wealth

Tiro Mpane Foundation Choral Competition

- Tiro Mpane Foundation Choral Esiteddfod

Heavenly Worship

- Grace Music Production Company

Heritage Day Tribute to Dr Joseph Shabalala

- Tilldawn Entertainment (PTY) LTD

South Indian Dance Graduation

- Kela Kendra Dance School

Ndlovu Youth Choir

- Impi Live

Follow The Beat

- Hayley Howie Dance Studios

Make Me Dance

- Iskcon KZN

Mandisi Dyantis Intlambulelo

- Real Wired Music

KZNPO WSS Spring Season Concert 1

- KwaZulu Natal Philharmonic Orchestra

Amanda Black: From My Soul to Yours Tour

- Afrorockstar Productions (Pty) Ltd

Ladysmith Black Mambazo Concert

- Ladysmith Black Mambazo Foundation

SA Youth Awards

- EDK Media

KZNPO WSS Early Spring Concert 2

- KwaZulu Natal Philharmonic Orchestra

Bigly Yuge

- Mandlethu Media & Services

Rainbow Connection

- Devesh Maharaj

Lwah Ndlunkulu Album Launch

- Inkabi Records (PTY) LTD

Thenjiwe Unplugged

- Site ET Sons Media Productions

Chamak Aur Dhamak

- Pavishen Paideya

KZN Young Performers

- KwaZulu Natal Philharmonic Orchestra

Candlelight Concert: Tribute to Adele

- Fabulous Affairs t/a Event Assist

G20 Cocktail Evening

- Department of Sport, Arts and Culture (DSAC)

ATKV

- ATKV - MSW

KZNPO WSS Spring Season Concert 2

- KwaZulu Natal Philharmonic Orchestra

AFDA

- AFDA

South African Dance Music Awards

- RokhNation Entertainment

Snow White and The African Warrior

- Break-Thru Dance Academy & Co

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

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

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

- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the affairs of the entity for the financial year ended 31 March 2026

Precious Lynda Bukhosini
Chief Executive Officer

Date: 31 July 2026

Khwezi Kunene
Chairperson of Council

Date: 31 July 2026

Sophiatown

6. Strategic Overview

Vision

Performing arts eyethu – Performing arts is ours

Mission

In achieving its vision, The Playhouse Company defines its mission as follows:

To provide an enabling platform for the performing arts in support of improved socio-economic conditions in South Africa

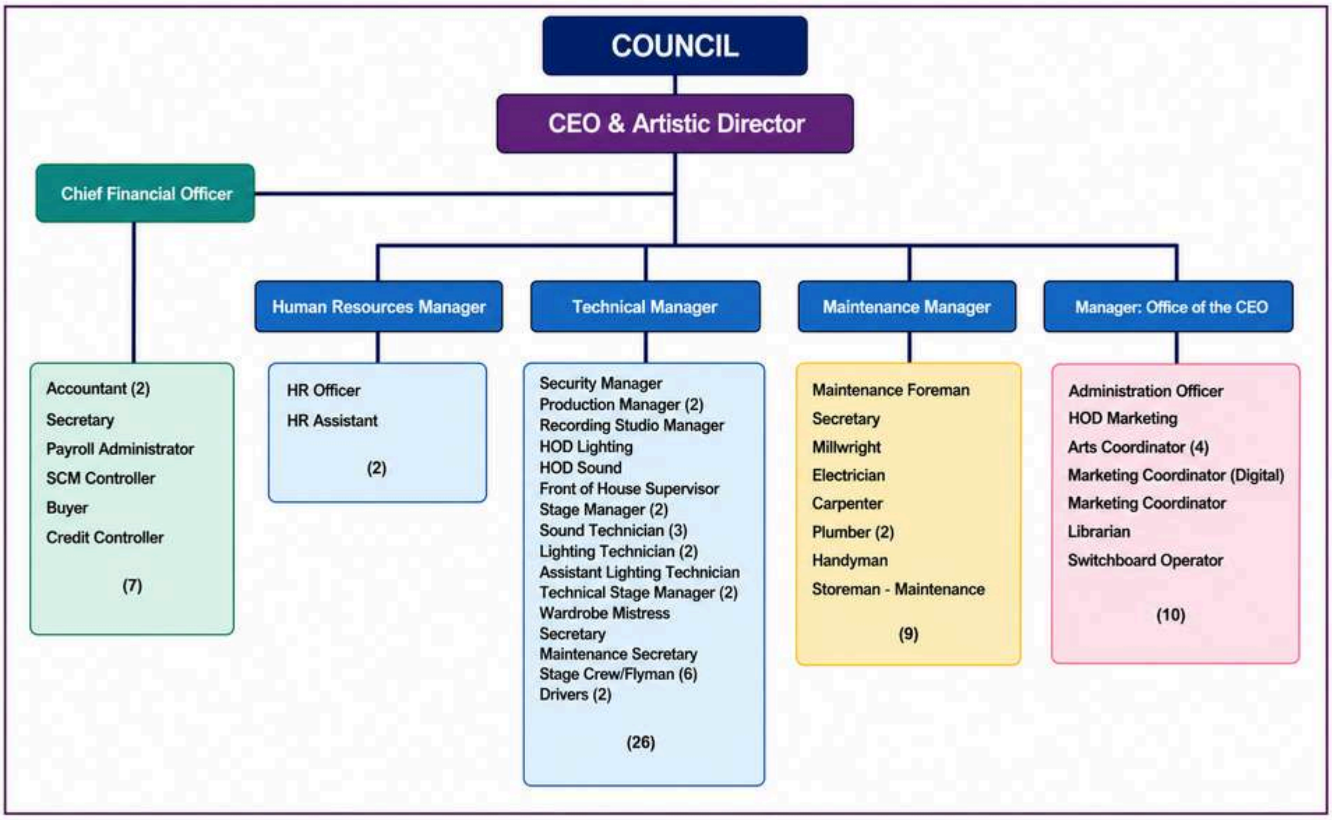
Values

7. Legislative and other Mandates

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

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

8. Organisational Structure



Nontokozo Mkhize Live In concert

PART B

1. Statement of Responsibility for Performance Information for the year ended 31 March 2026

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

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

Description	Number (%)	Reason for Not Achieved/ Partially Achieved	Interven tions
No. of annual performance targets	19 (100%)	N/a	N/a
Annual performance targets achieved	18 (95%)	N/a	N/a
Annual performance targets not achieved	1 (5%)	All training was put hold due to a lack of grant funding from DSAC to cover operational expenses of the entity	N/a

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indictors and targets as per annual performance plan of The Playhouse Company for the financial year ended 31 March 2026.

The Playhouse Company performance information for the year ended 31 March 2026 has been examined by the external auditors and their report is presented on pages 56 to 58.

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

2. Auditor's Report: Predetermined Objectives

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

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

2.1. Service Delivery Environment

The Playhouse Company has implemented its annual arts plans and contributed positively towards service delivery by achieving 95% implementation of the annual performance targets.

One of The Playhouse Company's mandate is to contribute to socio-economic transformation by providing opportunities to historically disadvantaged groups and entrepreneurs to participate, grow and develop within the sector. Management reports on this to Council on a quarterly basis. The Playhouse Company creates employment directly by procuring goods and services from small and micro enterprises owned and operated by previously disadvantaged people.

The Playhouse Company has interactive community conversations with artists, arts companies and the public at large where conversational topics are discussed and matters relating to financial literacy and broad based black economic empowerment matters are addressed. Artists and arts companies are given the necessary guidance to apply for the BBBEE certificates so that they can register on the National Treasury Central Supplier Database and be eligible to do work with government entities.

2.2. Organisational environment

The Playhouse Company was again imposed with budget cuts in operation and capital grant allocations from the National Department of Sport, Arts and Culture. The Playhouse Company managed to create work for artists and 7 824 artists received gainful employment whilst 6 602 of these artists were youth who benefited from productions presented by The Playhouse Company. In addition to this, artist and arts practitioners were engaged with resulting in 13 partnerships that were entered into with independent producers whilst 56 other independent producers were able to present their productions on stage.

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

2.3. Key policy developments and legislative changes

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

2.4. Progress towards achievement of institutional Impacts and Outcomes

In the context of the abovementioned strategic focus statements, the IMPACT statement of The Playhouse Company for the period 2025 - 2030 is as follows:

Outcome	Outcome Indicator	Baseline (2023/24)	Five Year Target	Achievements in 2026
A transformed, growing SA performing arts industry fostering social cohesion and nation building	Number of artists / creative professionals involved in staged productions	11 460	56 000	
	Number of arts practitioners benefiting from upskilling programmes	192	960	
	Rating of customer satisfaction (Excellent Rating)	78%	90%	
	Total cumulative number of audiences over the planning cycle (Paying and non-paying)	192 812	964 000	
	Percentage of paying audiences who return for multiple productions	10%	20%	
	Rand value of total ticket sales	1 283 343	6 500 000	
Organisational sustainability	Percentage of audiences per in-house production	96%	96%	
	External audit opinion	Clean	Clean	Clean
	Rand value of total funding received (index)	62 405 000	301 500 000	68 894 384

3. Institutional programme performance information – Refer to attachment which ends with item 5 Capital Investments

3.1. Programme 1: Administration

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

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

OUTCOME	OUTPUTS	OUTPUT INDICATORS	Audited Actual Performance	Audited Actual Performance	Annual Target	Actual Achievement for the year	Deviation from planned target to actual achievement	Achievement	Reasons for deviations
			2023/24	2024/25	2025/26	2025/26	2025/26	2025/26	2025/26
		Audit opinion	1 Unqualified Audit Report achieved	1 Unqualified Audit Report achieved	Clean	Clean	0	☺	N/a
		Percentage variance of critical findings raised per internal audit report	0%	0%	<5%	0%	5%	☺	No critical findings were raised in the internal audit reports due to the effective internal controls in place
		Number of quarterly management accounts submissions to key stakeholders delivered within 30 days	4	4	4	4	0	☺	N/a
Organisational sustainability	Internal business excellence achieved (Business management, corporate governance, resource management)	Percentage implementation of yearly funded infrastructure repairs, maintenance and upgrade plan	100%	100%	90%	91%	1%	☺	The target was set with an acceptable variance threshold of 10%. The planned work for the year was achieved.
		Percentage implementation of health and safety plan	100%	100%	90%	98%	8%	☺	The target was set with an acceptable variance threshold of 10%. The planned work for the year was achieved.

		Percentage implementation of yearly maintenance plan for stage and technical services	95%	100%	100%	100%	0%		N/a
		Percentage ICT uptime	100%	100%	95%	100%	5%		There was no extensive downtime during the year except for a few minor manageable disruptions as a result of the proactive remote monitoring performed by the external IT service provider
		Number of annual training plan interventions implementeds	21	21	20	11	9		All training was put hold due to a lack of grant funding from DSAC to cover operational expenses of the entity

Linking Performance with Budgets

Programme 1	2025/26			2024/25		
	Budget R'000	Actual R'000	(Over)/ Under R'000	Budget R'000	Actual R'000	(Over)/ Under R'000
Administration	58 179	66 548	(8 369)	48 252	54 580	(6 328)
Total	**58 179**	**66 548**	**(8 369)**	**48 252**	**54 580**	**(6 328)**

4.2. Programme 2: Business Development

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

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

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	Audited Actual Performance 2023/24	Audited Annual Actual Performance 2024/25	Target 2025/26	Actual Achievement for the year 2025/26	Deviation from planned target to actual achievement 2025/26	Achievement 2025/26	Reasons for deviations 2025/26
A transformed, growing SA performing arts sector fostering social cohesion and nation building	Performing arts interventions implemented	Number of own productions produced / presented	78	63	21	22	1		The overachievement can be attributed to prudent financial management, with savings carried forward from the previous financial and additional production grant funding received from KwaZulu Natal Department of Sport, Arts and Culture during the year enabling the Entity to continue staging productions.
		Number of productions presented in partnership with independent producers	29	18	10	13	3		The external independent producers booked the venues in a manner that exceeded our initial target. This is good because it gives the arts communities more opportunities for income generation.
		Number of productions / events presented by independent producers using Playhouse Company facilities	47	58	20	56	36		The external independent producers booked the venues in a manner that exceeded our initial target. This is good news because it gives the arts communities more opportunities for income generation.
		Number of significant flagship productions presented	2	2	2	2	0		N/a
		Number of festivals / seasons presented	6	4	4	4	0		N/a
		Number of community conversation platforms facilitated	5	2	2	2	0		N/a

		Number of opportunities for indigenous art performance	2	2	2	0	0		Sishaya Ingoma Competition and Isicathamiya Competition were presented and reported under significant flagship productions above.
		Number of youth attending arts develop-ment pro-grammes completed	7 671	7 102	3	4	1		The overachievement can be attributed to prudent financial management, with savings carried forward from the previous financial year enabling the Entity to continue staging productions.
		Number of Communi-ty Arts Mentor-ship Pro-grammes (CAMP) facilitated	7 671	7 102	500	2 458	1 958		The overachievement can be attributed to prudent financial management, with savings carried forward from the previous financial year enabling the Entity to continue staging productions.
		Number of Test Driving the Arts pro-grammes facilitated	14	13	6	6	0		N/a
		Number of schools pro-grammes presented	6	5	2	2	0		N/a
		Percent-age implemen-tation of yearly Stage and Technical Services mainte-nance plan	95%	100%	90%	100%	10%		The target was set with an acceptable variance of 10%. All planned activities have been achieved.
		Number of stakehold-er newsletter distributed	21	23	12	35	23		The increased number of productions presented played a role in increasing the number of newsletters distributed as part of marketing produc-tions.

Linking Performance with Budgets

Programme 2	2025/26			2024/25		
	Budget R'000	Actual R'000	(Over)/ Under R'000	Budget R'000	Actual R'000	(Over)/ Under R'000
Business Development	36 163	30 119	1 044	34 131	32 859	1 272
Total	**31 163**	**30 119**	**1 044**	**34 131**	**32 859**	**1 272**

4. Summary of Financial Information

4.1 Revenue Collection

Programme 2	2025/26			2024/25		
	Budget R'000	Actual R'000	(Over)/ Under R'000	Budget R'000	Actual R'000	(Over)/ Under R'000
Grants – Operational	54 893	55 893	(1 000)	52 542	53 542	(1 000)
Grants – Production	5 400	4 689	701	5 600	5 600	0
Grants – Capital	0	10 421	(10 421)	0	16 542	(16 542)
Finance Income	1 543	1 134	409	3 450	3 115	335
Production Income	1 916	3 109	(1193)	3 862	4 241	(378)
Rentals	151	169	(18)	230	212	18
Sundry Income	1 589	1 869	(208)	1 024	2 597	(1 573)
Hire of performance venues, costumes and sets	1 772	2 480	(707)	2 530	2 813	(283)
Sponsorship Income	0	0	0	1 500	1 500	0
Total	**67 265**	**78 774**	**(12 509)**	**70 737**	**90 162**	**(19 424)**

4.2 Programme Expenditure

Programme 2	2025/26			2024/25		
	Budget R'000	Actual R'000	(Over)/ Under R'000	Budget R'000	Actual R'000	(Over)/ Under R'000
Administration	58 179	66 548	(8 369)	48 252	54 580	(6 328)
Business Development	31 163	30 119	1 044	34 131	32 859	1 272
Total	**89 343**	**96 667**	**(7 325)**	**82 383**	**87 439**	**(5 056)**

5. Capital Investment

Programme 2	2025/26			2024/25		
	Budget R'000	Actual R'000	(Over)/ Under R'000	Budget R'000	Actual R'000	(Over)/ Under R'000
Office equipment	0	57	(57)	150	256	(106)
Computer equipment	411	411	0	2 040	2 130	(90)
Buildings	2 403	1 787	616	10 581	5 560	5 021
Stage and other equipment	0	0	0	5 200	4 650	550
Total	**2 815**	**2 256**	**559**	**17 971**	**12 596**	**5 375**

PART C

1. Introduction

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

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

2. Portfolio Committees

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

3. Executive Authority

During the current year, the following reports were submitted to the Department of Sport, Arts & Culture:
Annual Performance Plan 2026/2027
Shareholders Compact 2026/27
Quarterly Reports for the quarters ending June 2025, September 2025, December 2025 and March 2026.

4. The Accounting Authority (Council)

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

- To formulate policy;
- To hold, preserve and safeguard all movable and immovable property of whatever kind placed in their care or loaned or belonging to The Playhouse Company;
- To receive, hold, preserve and safeguard all specimens and collection of all other movable property placed under its care and management under Section 10 of the CI Act 10(1);
- To raise funds for The Playhouse Company;
- To manage and control the monies received by The Playhouse Company and to utilise those monies for defraying expenses in connection with the performance of its functions;
- To keep a proper record of the property of The Playhouse Company, and to submit to the Director General any returns required by him or her in regard thereto and to cause proper books of account to be kept;
- To determine and substitute the CI Act and with the approval of the Minister, the object of the declared institution; and
- To generally carry out the objects of the declared institution.
- Council may determine the hours and conditions to which the public may visit The Playhouse Company.
- The Council shall have the power to appoint such persons as it considers necessary to perform the functions of The Playhouse Company. The determination of the remuneration and terms and conditions of service shall be in accordance with the scheme approved by the Minister in consultation with the Minister of Finance

Council Charter

The Council Charter that sets out the roles, responsibilities, membership, and other key governance information is reviewed at least annually. The Council Charter was accordingly reviewed and approved by Council on 15th February 2023

The Charter sets out the manner in which Council of The Playhouse Company will carry out its obligations in terms of the legislative framework, including:

- the Cultural Institutions Act (CI Act) No. 119 of 1998 as amended and its Regulations;
- the Public Finance Management Act (PFMA), Act 1 of 1999 as amended and
- all ancillary legislation.

The Charter confirms Council members commitment to the Playhouse Council in accepting all obligations and responsibilities required of Council members.

The responsibilities outlined in the Council Charter have been duly discharged during the year, specifically in terms of:

- Approval of Annual & Adjustment Budgets
- Approval of Organogram
- Approval of Annual Financial Statements
- Appointing audit committees
- Approval of Shareholders Compact
- Approval of annual performance plan
- Approval of strategic plan
- Approval of quarterly reports
- Approval and amendments of/ to all policies

Composition of the Council

Name	Date Appointed	Qualifications	Area of Expertise	No. of meetings attended	Remuneration	Other allowance	Other re-imbursements	Total
Ms Khwezi BL Kunene Chairperson	9 December 2020	• BSc Property Development • Post Graduate • Diploma Leadership Development • Corporate Project Management Certificate	Analytical & Strategic Thinker; Strategic Risk Analysis & Management; Excellent Communication Skills & negotiation skills; Design Thinking Facilitator; Knowledge & experience in Corporate Governance; Knowledge of PFMA Act, PPPFA Regulations, Cultural Institutions Act; Financial planning & Feasibility studies; Quantity surveying & Cost Engineering; Infrastructure Project Management & Contracts management	9	131 702	0	0	131 702

Continued Composition of the Council

Name	Date Appointed	Qualifications	Area of Expertise	No. of meetings attended	Remuneration	Other allowance	Other re-imbursements	Total
Ms Thandeka Mngadi	9 December 2020	• BA Humanities • MA Humanities	Administration; Human Resource Management; Organisational Development; Performance Management; Project Management; Facilities & Property Management	9	53 812	0	0	53 812
Dr Rajendran Govender	9 December 2020	• PhD (Human Sciences) (isiZulu/Social Anthropology) • M.A (Cum Laude) Human Sciences (isiZulu/Social Anthropology) • B.A (Honours) Developmental Studies B.A	Strategic planning, team building/ leadership; knowledge of PFMA and Budgeting & Financial management; Human Resource management; Programmes and project management; Operational management, facilities management, stakeholder management; communication and report writing	9	57 908	0	0	57 908
Dr Fezile Dantile	8 November 2022	• Bachelor of Commerce • BA Honours (Industrial Psychology) • Diploma in Labour Law • Diploma in Business Management • Strategic Human Resources Management Certificate • Directors Induction Programme (Wits Business School) • PhD (Honoris Causa) – Leadership and Community Development • Currently pursuing Masters in Leadership.	Leadership , Strategic Planning Policy Formulation Governance and Compliance Business Development (Growth and sustainability) Business Management (Financial Planning & Management) Strategic Human Resources Management South African Labour Law Good communication and organizational skills. Published Author of 5 books , 4 in English and 1 in Xhosa	9	54 206	0	0	54 206

Continued Composition of the Council

Name	Date Appointed	Qualifications	Area of Expertise	No. of meetings attended	Remuneration	Other allowance	Other re-imbursements	Total
Ms Thembelihle M Jostrey	9 December 2024	• Master's Degree in Business Administration • Bachelor's Degree in Technology – Commercial Administration • National Diploma – Commercial Administration • Certificate – Local Economic Development • Currently pursuing Certificate Executive Management Coaching	• Enterprise and Supplier Development • Business Mentor and Coach • Strategy Development & Planning • Facilitator – International Labour Organisation • SMME Development • Women Empowerment Development • Management Consulting	9	76 588	0	0	76 588
Mr Dharamraj Brijlal	9 December 2024	• BA (Hons.) (Ind.Psy) (UNISA) • PGDip (BusMgt) (NATAL); • MBA (UKZN) • MHRP (SABPP) • Member (IoDSA)	• Human Resources Governance	9	54 172	0	0	54 172
Ms Thembisa Jimana	9 December 2024	• National Diploma Internal Auditing • BTech Internal Auditing • Postgraduate Diploma in Business Management • Master of Philosophy in Development Finance • Certified Director Development Programme • Higher Certificate in Labour Economics • Social Entrepreneurship	Audit, Risk and Governance	9	57 835	0	0	57 835
Mr Phil Molefe	9 December 2024	• Master of Business Leadership (Unisa)	International Affairs, Governance and Strategy	9	44 248	0	0	44 248

Continued Composition of the Council

Name	Date Appointed	Qualifications	Area of Expertise	No. of meetings attended	Remuneration	Other allowance	Other re-imbursements	Total
Mr Lavandran N Gopaul	9 December 2024	• MPA - Economics & Finance – HARVARD UNIVERSITY • Mason Fellow – HARVARD UNIVERSITY • LLM - Banking & Finance Law – BOSTON UNIVERSITY, School of Law • LLB - UNIVERSITY of KWA-ZULU NATAL, Howard College, School of Law • BCom - UNIVERSITY of NATAL, Howard College, Durban • Curr - CFA - CHARTERED FINANCIAL ANALYST (Candidate)	Finance, Financial Markets, Economic Analysis, Taxation, Transaction Advisory, Legal, Real Estate Fund Management, Business Development & Business Analysis, Strategist, Governance	9	19 263	0	0	19 263

Members	Committees			
	Finance Committee	Audit & Governance Committee	Human Resources and Remuneration	Arts & Fundraising Committee
No. of meetings held	6	5	5	5
No. of members	3	4	3	3
Ms Khwezi BL Kunene				✓
Ms Thandeka Mngadi			✓	
Dr Rajendran Govender				✓
Dr Fezile Dantile	✓			
Ms Thembelihle M Jostrey	✓		✓	
Mr Dharamraj Brijlal			✓	
Ms Thembisa Jimana		✓		
Mr Phil Molefe				✓
Mr Lavandran N Gopaul	✓			

5. Risk Management

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

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

The Risk Register is reviewed annually after an intensive risk identification session with management and all governance structures. The Risk Register is used to pave the way for the three-year Internal Audit Rolling Plan, which is reviewed and approved by the Audit and Governance Committee and Council.

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

6. Internal Control Unit

Internal control is the responsibility of each individual manager. The Playhouse Company has policies and procedures in place that prescribe internal controls. These policies are reviewed annually to ensure they remain up to date with applicable laws and regulations.

Management uses the findings and recommendations of the auditors on internal controls to strengthen and improve the effectiveness of the internal control environment.

7. Internal Audit Function

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

The Internal Audit Charter was developed to define the organisational status, objectives, authority, and responsibilities of the outsourced Internal Audit Function. The Internal Audit Function is guided by the provisions of Section 3.2 of the Treasury Regulations and Sections 38(1)(a)(i) and 76(4)(e) of the Public Finance Management Act (PFMA), and plays a critical role in strengthening governance within The Playhouse Company.

The primary objective of the Internal Audit Function at The Playhouse Company is to provide independent assurance and advisory services on the effectiveness of internal control systems, risk management processes, governance processes, operational activities, and organisational performance. This is undertaken in accordance with applicable laws, regulations, policies, and best-practice standards.

The following internal audit engagements were concluded during the financial year in line with the approved Internal Audit Coverage Plan:

- Follow-up of Previously Raised Internal Audit Findings
- Audit of Performance Information (Audit of Predetermined Objectives)
- Financial Discipline Review (Annual Financial Statements)
- Human Resources Review
- Health and Safety Review
- Supply Chain Management Review

8. Audit and Governance Committee

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

The Audit and Governance Committee:

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

9. Compliance with Laws and Regulations

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

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

10. Fraud and Corruption

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

The primary objectives of the plan are to:

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

11. Minimising Conflict of Interest

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

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

12. Code of Conduct

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

The Code of Conduct Policy is displayed on notice boards throughout The Playhouse Company.
In deciding on a course of action and determining what constitutes ethical behaviour, employees should consider and be guided by:

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

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

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

13. Health, Safety and Environmental Issues

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

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

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

14. Social Responsibility

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

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

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

15. Audit and Governance Committee Report

The Audit and Governance Committee (the Committee), presents its report for the financial year end 31 March 2026

Audit and Governance Committee Members and Attendance

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

Composition of the Audit and Governance Committee

The Committees term commenced on 1 April 2025.

Name	Qualifications	Internal or External	Date Appointed	No. of Meetings attended
Mr Bhekabantu Ngubane Chairperson of Audit and Governance Committee	CA (SA	External	1 April 2025	5
Mr Zanoxolo Koyana	MBA Bachelor of Commerce Degree	External	1 April 2025	5
Ms Charmaine Jugnarayan	CA (SA)	External	1 April 2025	5
Ms Thembelihle M Jostrey	• Master's Degree in Business Administration • Bachelor's Degree in Technology – Commercial Administration • National Diploma – Commercial Administration • Certificate – Local Economic Development	Internal – Council member	9 December 2024	5

Audit and Governance Committee Responsibility

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

Internal Audit

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

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

Effectiveness of Internal Controls

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

- Attended the workshop with all key stakeholders on risk assessment;
- Considered the effectiveness of the company risk assessment processes as on-going by Management;
- Monitored the follow-up process on all findings by the auditors to ensure findings are dealt with and addressed at root causes;
- Sought assurance from Management that action is being taken on related issues identified by auditors; and
- Provided guidance and advice to Management and the Accounting Authority over strengthening risk management processes and performance information when we reviewed the quarterly reports.
- The Committee reviewed the Internal Audit reports, and where there were weaknesses identified within the Company, assessed the adequacy of management responses on reasonable steps taken to ensure the risk exposure is reduced and there is continuous improvement within the control environment.

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

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

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

Evaluation of Financial Statements

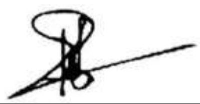
The Committee has:

- Reviewed the quarterly reports including financial statements to ensure consistency and accuracy of information;
- Considered the appropriateness, adoption and consistent application of the South African Statement of Generally Recognised
- Accounting Practices adopted by the Accounting Authority;
- Considered the quality and timeliness of the financial information available to the Committee for oversight purposes during the year;
- Reviewed the financial statements of the Company for the year ended 31 March 2026 and is satisfied that they comply with relevant provisions of the Public Finance Management Act and the South African Statement of Generally Recognised Accounting Practices;
- Reviewed the Auditors-General's Management Report and Management's response; and
- Reviewed the Auditor-General's Audit Report and noted that there were no findings in the financial statements and performance information.

Auditor's Report

The Committee is pleased to report that the Company has received an unqualified clean audit report.
The Committee concurs and accepts the conclusion of the Auditor-General on the annual financial statements and hence the Committee recommended that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

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



Mr. B Ngubane
Chairperson of the Audit Committee
31 July 2026

16. B-BBEE Compliance Performance Information

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

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

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

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

PART D

HUMAN RESOURCE MANAGEMENT

The Company's Human Resources Strategy is aimed at effectively supporting and servicing the human resource requirements of the organisation by ensuring that it has skilled, motivated, capacitated, and empowered employees who are equipped to contribute to the attainment of the Company's strategic objectives. The key focus areas of the strategy include manpower planning, skills development, productivity improvement, and employee relations.

Each year, the Entity aligns its organisational structure with the available budget to implement a functional structure that effectively contributes to the attainment of the Company's overall strategic objective of being well governed, productive, and high performing.

During the year under review, the organisation had an approved establishment of sixty-two (62) positions, of which fifty-four (54) were filled by full-time employees, resulting in a vacancy rate of 13%.
In addition to the filling of permanent positions, a number of fixed-term appointments were made to address immediate capacity challenges. Furthermore, employees were redeployed to departments experiencing capacity constraints as an alternative to retrenchment. Staff turnover in critical positions remained low during the reporting period.

The acquisition of suitably qualified staff in a skills-constrained environment continues to present a challenge. To address this, the Company has enhanced its recruitment guidelines through the utilisation of a wider range of recruitment platforms. Recruitment processes at certain levels also include the participation of union representatives to ensure transparency and fairness.

A plan is in place to fill existing vacant positions, while career development initiatives for employees occupying key positions are being implemented to support succession planning, employee growth, and organisational sustainability.

The Company's performance against predetermined objectives is managed through the setting and monitoring of performance targets as outlined in the Annual Performance Plan (APP). Performance management is guided by the Company's Performance Management Policy. Signed performance agreements are in place for all relevant employees, and formal performance evaluations are conducted bi-annually.

Financial constraints continue to limit the extent to which employees can be provided with training opportunities. Notwithstanding these challenges, the Company remains committed to investing in focused training and development initiatives that support employee growth and organisational performance. During the year under review, thirty-two (32) employees received training at a total cost of R106,741. Training interventions covered areas such as Labour Relations, Technical Skills, Report Writing, Computer Skills, Compliance and Safety, and Performance Monitoring.

In support of youth development and job creation initiatives, the Company employed three (3) unemployed graduates during the year to provide them with valuable workplace experience. This initiative assists in developing the skills and competencies required for scarce and critical positions within the Company, while also strengthening the talent pipeline from which future employees may be recruited.

The Company is committed to creating and maintaining a work environment that provides equal opportunities for all employees, with particular emphasis on the advancement of people from designated groups. The majority of the Company's workforce is drawn from designated groups. In July 2024, the Department of Employment and Labour approved the Company's Employment Equity Plan for the period 2024–2029. In January 2025, the Company received formal confirmation acknowledging submission of the required Employment Equity Report. Given the low staff turnover within the organisation, it is not always possible to achieve employment equity targets at the desired rate.

The Company retained its Level 4 BBBEE rating during the year under review, reflecting its continued commitment to transformation, skills development, and employment equity.

Effective employee relations are maintained through regular engagement with the representative trade union, SACCAWU, the recognised collective bargaining agent representing the majority of employees within the Company. No industrial action was experienced during the reporting period.

As part of the Company's commitment to continuous performance improvement, employees who failed to meet agreed performance standards were managed in accordance with the Company's Disciplinary Code. Two formal disciplinary hearings were concluded during the year. One matter was referred to the CCMA and was subsequently resolved, while another matter is currently undergoing arbitration. There were no Labour Court cases involving the Company during the reporting period.

Employee costs remained well managed, with actual expenditure below budget. This was largely attributable to the continued implementation of cost-containment measures, including the delayed filling of certain vacancies and the effective management of overtime. Temporary employees were utilised where operational requirements necessitated additional capacity. In instances where vacancies remained unfilled, some employees voluntarily assumed additional responsibilities to ensure business continuity. Despite ongoing financial pressures, the Company successfully negotiated a market-related salary increase with the recognised trade union.

Looking ahead, Skills Development remains a strategic priority. As vacant positions are progressively filled, the burden on employees carrying additional responsibilities is expected to reduce. The Company also continues to recognise and celebrate employee loyalty and commitment through its Long Service Awards programme. During the year under review, eight (8) employees received Long Service Awards in recognition of their dedicated service to the organisation.

1. Human Resource Oversight Statistics

The public entity is required to provide the following key information relating to human resources. All financial amounts disclosed must reconcile with the corresponding amounts reflected in the Annual Financial Statements. Where significant variances occur, appropriate explanations should be provided.

1.1. Personnel related expenditure

Personnel Cost by Programme/ Activity / Objective

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

Personnel Cost by Salary Band

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

Training Costs

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

Employment and vacancies

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

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

Reasons for staff leaving

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

Four (4) employees left for reasons beyond the Company's control (Resignation and Retirement) and one employee was dismissed for Poor Performance.

The use of Graduates, Interns and employees on limited Fixed Term contracts, whilst they receive the necessary workplace experience, is a valuable means of talent acquisition for existing vacant positions. The initiative serves to capacitate the organization, and at no stage impacts the ability of the organization to deliver on its mandate or key deliverables. In one instance staff from a different cost centre were redeployed into vacant positions, as an alternative to retrenchment.

Labour Relations: Misconduct and disciplinary action

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

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Managenent	0	0	0	0	1	1	0	0
Professional Qualified	2	2	0	0	1	1	1	1
Skilled	15	15	0	0	2	2	2	2
Semi-Skilled	11	11	0	0	2	2	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**28**	**28**	**0**	**0**	**6**	**6**	**3**	**3**

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Managenent	0	0	0	0	1	1	0	0
Professional Qualified	1	1	0	0	1	1	2	2
Skilled	9	9	1	1	0	0	0	0
Semi-Skilled	6	7	1	1	3	3	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**17**	**18**	**2**	**2**	**5**	**5**	**2**	**2**

Levels	Disabled Stuff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Managenent	0	0	0	0
Professional Qualified	0	0	0	0
Skilled	0	0	0	0
Semi-Skilled	0	0	0	1
Unskilled	0	0	0	0
Total	**0**	**0**	**0**	**1**

Isicathamiya Concert

PART E

1. Irregular, Fruitless And Wasteful Expenditure And Material Losses

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

	2025/26	2024/25
	R'000	R'000
Opening balance	7,909	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	0	7,909
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	7,909	0
Less: Irregular expenditure recoverable[1]	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**0**	**7,909**

Irregular expenditure for the 2024/25 financial year
Error in applying the requirement of the Preferential Procurement Regulations 2022 (PPR2022) R3 167 542.
We note that there was an error in applying the requirement of the Preferential Procurement Regulations 2022 (PPR2022). The request for quotations did not include the specific goals in the invitation to submit the price quotations for which specific goals points were awarded. The entity correctly evaluated all price quotations below R1 million using the 80/20 preference points system as detailed in the entity's Procurement for Goods and Services Policy and Procedure: 80 points was awarded for price and 20 points was awarded for Black Ownership. The entity did not suffer financial loss as a result of the error which resulted in irregular expenditure. The error which resulted in irregular expenditure does not relate to any criminal conduct.

Non-compliance with the budget framework
Overspending on budget - R 4,741,600.
The total approved budget for the year was not exceeded. The entity has however overspent on individual expense line items of electricity and repairs and maintenance that are included in the total budget. The entity received additional grant funds for electricity and repairs and maintenance after the budget adjustment period in September 2024 and the budget could thus not be amended for the additional grant funds received.

Reconciling notes

Description	2025/2	2024/25
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	7,909
Total	**0**	**7,909**

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

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	**0**	**0**

c) Details of irregular expenditure condoned

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure condoned	0	0
Total	**0**	**0**

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

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure NOT condoned and removed	7,909	0
Total	**7,909**	**0**

Status of Irregular expenditure for the 2024/25 financial year (R7,909m)

In November 2025 the entity submitted a request to condone the irregular expenditure to National Treasury. The National Treasury did not condone the irregular expenditure for the 2024/25 financial year. The National Treasury advised that the entity to comply with paragraphs 5.7 and 5.8 of the Compliance Framework, where irregular expenditure was not condoned by National Treasury. At the January 2026 meeting, the entity requested Council to condone the irregular expenditure. Council approved the entity's request to condone the irregular expenditure at the January 20206 Council meeting.

e) Details of irregular expenditure recoverable

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

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

Description	2025/26	2024/25
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

1.2. Fruitless and wasteful expenditure

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

2. Late and/or Non-payment of Suppliers

Description	Number of invoices	Consolidated Value
	R'000	R'000
Valid invoices received	1 791	42 926
Invoices paid within 30 days or agreed period	1 760	42 470
Invoices paid after 30 days or agreed period	31	455
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

Invoices paid beyond 30-days or agreed period were primarily due to administrative timing differences between the invoice receipt date and the date of capture on the financial system. In such instances, payments were processed either one day to one week after the due date.

3. Supply Chain Management

3.1. Procurement by other means

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

3.2. Contract variations and expansions

The Playhouse Company did not vary or expand any contracts.

A Fairytale Christmas Carol - The Musical

PART F

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

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of The Playhouse Company as set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, and statement of cash flows for the year then ended, as well as notes to the annual 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 Playhouse Company as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board of South Africa and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the Auditor-General for the audit of the financial statements section of my report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Restatement of Corresponding Figures

7. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2025 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2026.

Disposal of a Significant Asset

8. As disclosed in note 18 to the financial statements, the entity surrendered a significant asset during the year as a result of reducing operational costs.

Other Matter

9. I draw attention to the matter below.

Unaudited Supplementary Schedules

10. The supplementary information set out on pages xx to pages xx does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion on it.

Responsibilities of the Accounting Authority for the Financial Statements

11. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP), as issued by the Accounting Standards Board of South Africa, and the requirements of the Public Finance Management Act 1 of 1999 (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..

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

Responsibilities of the Auditor-General for the Audit of the Financial Statements

13. 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.

14. 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 at page xx, forms part of my Auditor's Report.

Report on the annual performance report

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

16. I selected the following material performance indicators related to Business Development and Public Engagement, presented in the annual performance report for the year ended 31 March 2026. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest:
    - Number of own productions produced/presented
    - Number of productions presented in partnership with independent producers
    - Number of productions/events presented by independent producers using Playhouse Company facilities
    - Number of significant flagship productions presented
    - Number of festivals/seasons presented
    - Number of community conversions platforms facilitated
    - Number of opportunities for indigenous art performances facilitated
    - Number of youth attending arts development programmes completed
    - Number of community arts mentorship programmes completed
    - Number of Test Driving the Arts programmes completed
    - Number of schools programmes completed

17. 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 entity's planning and delivery on its mandate and objectives.

18. I performed procedures to test whether:
    - The indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
    - All the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included.
    - The indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.

- The targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance, as well as how performance will be evaluated.
- The indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- The reported performance information is presented in the annual performance report in the prescribed manner.
- There is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

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

Other matter

21. I draw attention to the matter below.

Achievement of Planned Targets

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

Report on Compliance with Legislation

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

24. 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.

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

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

Other Information in the Annual Report

27. The Accounting Authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the Auditor's Report and the selected presented in the annual performance report that have been specifically reported on in this Auditor's Report.

28. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.

29. 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 presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. 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 reissue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal Control Deficiencies

31. 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.

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

Auditor - General

Pietermaritzburg
29 July 2026

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 ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the 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:

- In addition to my responsibility for the audit of the financial statements as described in this Auditor's Report, I also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this Auditor's Report. However, future events or conditions may cause the 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 or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56(1); 56(2); 57(b)
Treasury Regulations, 2005	Regulations 8.2.1; 8.2.2; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A 6.2(a) and (b); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A 8.3; 16A 8.4; 16A 9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A 9.1(f); 16A 9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 33.1.1; 33.1.3
Construction Industry Development Board Regulations, 2004	CIDB Regulations 17; 25(1); 25(5) and 25(7A)
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraphs 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.4(c); 4.4(d); 4.6; 5.4; 7.2; 7.6
National Treasury SCM Instruction No. 2 of 2021/22	Paragraphs 3.2.1; 3.2.2; 3.2.4(a); 3.2.4(b); 3.3.1; 4.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Sections 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraphs 3.1; 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Public Service Regulation	Public Service Regulations 13(c); 18; 18(1) and (2)
PRECCA	Sections 29; 34(1)
CIDB Act	Section 18(1)
Practice Note 7 of 2009/10	Paragraph 4.1.2

THE PLAYHOUSE COMPANY STATEMENT OF FINANCIAL POSITION as at 31 March 2026	Notes	March 2026 R	March 2025 R
ASSETS			
Non-current assets		**143 790 281**	**167 083 402**
Heritage assets	3,1	95 053 271	93 622 451
Property, plant and equipment	3,2	48 009 322	73 080 808
Intangible assets	3,3	727 687	380 143
Current assets		**26 346 809**	**33 025 776**
Inventories	4	276 338	398 924
Trade and other receivables	5	1 849 158	3 929 876
Cash and cash equivalents	6	24 221 313	28 696 976
TOTAL ASSETS		**170 137 090**	**200 109 178**
LIABILITIES			
Non-current liabilities			
Deferred income	8	1 036 744	857 604
Current liabilities		**20 236 787**	**20 120 064**
Trade and other payables	9	6 603 370	9 153 202
Deferred income	8	13 633 417	10 966 862
TOTAL LIABILITIES		21 273 531	20 977 668
Net assets			
Accumulated surplus	20	148 863 559	179 131 510
TOTAL NET ASSETS AND LIABILITIES		**170 137 090**	**200 109 178**

THE PLAYHOUSE COMPANY STATEMENT OF FINANCIAL PERFORMANCE as at 31 March 2026	Notes	March 2026 R	March 2025 R
Revenue			
Revenue from exchange transactions		**8 760 096**	**12 097 680**
Services facilities and equipment	10	7 626 366	9 862 105
Interest received	11	1 133 730	2 235 575
Revenue from non-exchange transactions		**78 944 457**	**87 345 113**
Grants	12	71 013 518	78 400 059
Donations and sponsorships (productions)		-	1 500 000
Services in kind	29	7 930 939	7 445 054
TOTAL Revenue		**87 704 553**	**99 442 793**
Less : Expenditure		**105 799 603**	**R109 001 457**
Cleaning		3 876 214	3 998 999
Depreciation & amortisation	13	13 374 104	14 117 015
Electricity		6 774 459	7 346 733
Employee related costs	14	37 980 810	36 852 971
General expenses	15	11 300 224	11 448 139
Maintenance expenditure	16	8 647 986	8 890 925
Production expenditure	17	11 272 928	14 229 076
Rates and taxes		7 930 939	7 445 054
Security costs		4 641 938	4 672 545
(Deficit) from operations		(18 095 049)	(9 558 664)
Surrender of Workshop	18	(12 172 902)	-
DEFICT FOR THE YEAR	19	**(30 267 951)**	**(9 558 664)**

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2026	Notes	March 2026 R	March 2025 R
Opening accumulated surplus as previously reported		**179 131 510**	**195 266 718**
Prior period error (note 2)	2	-	(6 576 545)
Opening accumulated surplus		**179 131 510**	**188 690 173**
Net Deficit for the year as previously reported			(11 394 658)
Revenue from capex Interest		75 410 638	2 715 807
Increase in deferred income		(86 935 705)	(879 812)
Deficit for the year		(30 267 951)	(9 558 664)
Closing accumulated surplus	**20**	**148 863 559**	**R179 131 510**

Statement of Cash Flows for the year ended 31 March 2026	Notes	March 2026 R	March 2025 R
Cash flows from operating activities			
Cash receipts from grantors and clients		83 544 620	76 290 450
Cash paid to suppliers and employees		(86 919 623)	(87 004 445)
Cash (utilised) in operations	21	**(3 375 003)**	**10 713 995**
Interest received		1 155 408	2 304 315
Net Cash Utilised in operations Activities		**2 219 595**	**8 409 679**
Additions to heritage assets		(507 655)	(1 344 773)
Additions to property, plant and equipment		(1 627 318)	(10 935 032)
Additions to intangibles		(121 095)	(316 647)
Proceeds on sale of property, plant and equipment		-	407 092
Net cash used in investing activities		**(2 256 067)**	**(12 189 360)**
Net (decrease) in cash and cash equivalents		**(4 475 662)**	**(20 599 039)**
Cash and cash equivalents at beginning of year		28 696 976	49 296 015
Cash and cash equivalents at end of year		**24 221 313**	**28 696 976**

Accounting policies for the year ended 31 March 2025

1. Accounting policies

1.1 Accounting Policies

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

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

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

The Standards of GRAP approved by the Accounting Standards Board that are applicable to The Playhouse Company are:

- GRAP 1 – Presentation of Financial Statements
- GRAP 2 – Cash Flow Statements
- GRAP 3 – Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4 – The Effects of Changes in Foreign Exchange Rates
- GRAP 9 – Revenue from Exchange Transactions
- GRAP 10 – Financial Reporting in Hyperinflationary Economies
- GRAP 11 – Construction Contracts
- GRAP 12 – Inventories
- GRAP 13 – Leases
- GRAP 14 – Events After the Reporting Date
- GRAP 17 – Property, Plant and Equipment
- GRAP 16 – Investment Property
- GRAP 18 – Segment Reporting
- GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets
- GRAP 21 – Impairment of Non-Cash-Generating Assets
- GRAP 20 – Related Party Disclosures
- GRAP 23 – Revenue from Non-Exchange Transactions (Taxes and Transfers)
- GRAP 24 – Presentation of Budget Information
- GRAP 25 – Employee Benefits
- GRAP 26 – Impairment of Cash-Generating Assets
- GRAP 31 – Intangible Assets
- GRAP 32 – Service Concession Arrangements: Grantor
- GRAP 100 – Discontinued Operations
- GRAP 103 – Heritage Assets
- GRAP 104 – Financial Instruments (replacement of 2009 version)
- GRAP 105 – Transfers of Functions between Entities Under Common Control
- GRAP 106 – Transfers of Functions between Entities Not Under Common Control
- GRAP 108 – Statutory Receivables
- GRAP 109 – Accounting by Principals and Agents
- GRAP 110 – Living and Non-living Resources
- IFRS 4 – Insurance Contracts
- IFRIC 12 – Service Concession Arrangements
- IFRIC 22 – Foreign Currency Transactions and Advance ConsiderationIAS 12 – Income Taxes
- IGRAP 21 – The Effects of Past Decisions on Materiality

- IFRIC 23 – Uncertainty over Income Tax Treatments
- SIC 25 – Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
- SIC 29 – Service Concession Arrangements – Disclosures
- IGRAP 17 – Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an
- Asset
- IGRAP 18 – Recognition and Derecognition of Land
- IGRAP 19 – Liabilities to Pay Levies
- IGRAP 20 – Accounting for Adjustments to Revenue

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

- GRAP 5 – Borrowing Costs
- GRAP 6 – Consolidated Financial Statements
- GRAP 7 – Investments in Associates
- GRAP 8 – Interests in Joint Ventures
- GRAP 27 – Agriculture
- GRAP 34 – Separate Financial Statements
- GRAP 35 – Consolidated Financial Statements
- GRAP 36 – Investments in Associates and Joint Ventures
- GRAP 37 – Joint Arrangements
- GRAP 38 – Disclosure of Interests in Other Entities
- GRAP 107 – Mergers
- IFRS 6 – Exploration for and Evaluation of Mineral Resources
- IAS 12 – Income Taxes
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

1.2 . Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the periods in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.
In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in the following notes:

Note 1.3 Property, Plant and Equipment
The Playhouse Company assesses the useful life and residual values of these assets based on the condition of the assets.

Note 1.4 Inventory
The Playhouse Company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recognised, a default has occurred in contractual obligations or whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Note 1.5 Investment Assets
The Playhouse Company assesses the useful life of these assets based on the condition of the assets.

1.3 Property, Plant and Equipment

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

Where an asset is acquired by the public entity for no or nominal consideration (i.e. non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. The assets are classified as capitalised leased assets.

Assets are fair valued on the depreciated cost replacement method. Where an active market does not exist, the fair value of the item has been established by reference to other items with similar characteristics.

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

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

- Buildings – 50 years
- Motor vehicles – 5 to 15 years
- Office furniture and other equipment – 5 to 57 years
- Computer equipment – 3 to 21 years
- Workshop equipment -5 to 37 years
- Stage – 4 to 57 years

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

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

1.4. Impairment

Non-financial assets

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

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

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

Reversals of impairment

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

1.5. Intangible assets

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

Software :	2 to 22 Years

1.6 Heritage assets

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

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

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

Where the heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at date of acquisition. After recognition as an asset, a class of heritage asset shall be carried at its cost less any accumulated impairment losses. 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.

1.7. Inventories

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

1.8. Financial instruments

Definitions

12 month expected credit losses - is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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 the 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 for financial assets, adjusted for any loss allowance.

Expected credit losses - are the weighted average of credit losses with the respective risks of a default occurring as the weights.

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

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.

A financial liability - is any liability that is a contractual obligation to:
(a) deliver cash or another financial asset to another entity; or
(b) exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.

Lifetime expected credit losses - are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Significant increase in Credit Risk - the entity assessess at each reporting date whether there has been a significant increase in credit risk relating to receivables, taking into account payment history, aging of debtors, historical collection trends and known difficulties experienced by debtors.

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.

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.

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.

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.

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

Initial recognition
The Playhouse Company shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument

The Playhouse Company recognises and derecognises financial assets using trade date accounting. The trade date is when an entity commits itself to purchase (recognise) or sell (derecognise) an asset. When a financial asset is purchased, an entity recognises the financial asset and a liability for the settlement of the purchase price on trade date. When a financial asset is sold, the financial asset is derecognised and a receivable is recognised on trade date.

Classification of financial assets
The Playhouse Company shall classify financial assets as subsequently measured at amortised cost or fair value through surplus or deficit on the basis of both:
(a) the entity's management model for managing the financial assets; and
(b) the contractual cash flow characteristics of the financial asset.

A financial asset shall be measured at amortised cost if both of the following conditions are met:
(a) the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortised cost

Classification of financial liabilities
The Playhouse Company shall classify all financial liabilities as subsequently measured at amortised cost.

Measurement

Initial measurement
The Playhouse Company shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

At initial recognition, The Playhouse Company shall measure receivables and payables at their transaction price if they do not contain a material financing transaction

Subsequent measurement of financial assets
After initial recognition, The Playhouse Company shall measure a financial asset at:
(a)amortised cost;
(b)fair value through surplus or deficit; or
(c)cost.

The Playhouse Company shall apply the impairment requirements to financial assets that are measured at amortised cost and financial assets measured at cost

Subsequent measurement of financial liabilities
After initial recognition, an entity shall measure a financial liability at armotised cost or measured at fair value through surplus or deficit when permitted

Impairment
Recognition of expected credit losses - At each reporting date, The Playhouse Company shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition — whether assessed on an individual or collective basis — considering all reasonable and supportable information, including that which is forward-looking

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses

The Playhouse Company shall recognise in surplus or deficit, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with GRAP 104.

Derecognition of financial assets
An entity derecognises financial assets using trade date accounting.

The Playhouse Company shall derecognise a financial asset only when:
(a) the contractual rights to the cash flows from the financial asset expire, are settled or waived;
(b) The Playhouse Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
(c) The Playhouse Company, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Derecognition of financial liabilities
The Playhouse Company shall remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived

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

1.9. Presentation currency
The AFS are presented in South African Rands which is the functional currency of the Playhouse Company.

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

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

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

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

1.11. Revenue

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

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

Interest income

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

Box office and related income

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

Other income

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

1.12. Services in-kind

Services in kind are recognised at its fair value when it is significant to the operations and/or service delivery objectives and when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

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

1.13. Cash and cash equivalents

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

1.14 Related party

Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control. The disclosure note details the related party transactions.

1.15 Commitments

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

1.16 Going concern

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

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

1.17 Employee benefit

1.17.1 Short-term employee benefit

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

1.17.2 Retirement benefit plans

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

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

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

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

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

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.

1.21 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) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.
National Treasury Instruction No 4 of 2022/2023 on Irregular Expenditure Framework which was issued in terms of sections 76(2)(e) and 76(4)(a) of the PFMA requires the following (effective from 03 January 2023):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements. Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

2.1 Change in Accounting Policy: Financial Instruments (GRAP 104)

Nature of the Change

The Annual Financial Statements have been prepared on a basis consistent with the prior year except for the adoption of GRAP 104 Financial Instruments, which the entity applied for the first time in the current reporting period. The Standard became effective for the entity on 1 April 2025.

The revised Standard introduces, among other things: a classification model for financial assets, an expected credit loss (ECL) model for the impairment of financial assets measured at armotised cost, and revised presentation and disclosure requirements. For the entity, the practical effect is confined to the impairment of receivables from exchange transactions and cash and cash equivalents, the classification and measurement of all financial assets and liabilities (armotised cost) is unchanged.

Transitional provisions applied

The entity applied GRAP 104 retrospectively in accordance with GRAP 3,except that, as permitted by the transitional provisions, the entity did not restate prior periods trading results. The application of the requirements of the revised Standard did not result in any adjustment to the carrying amounts of financial assets or liabilities at the beginning of the financial year and no adjustment to the opening accumulated surplus/(deficit) was thus required.

Classification

At the date of initial adoption management assessed the financial instruments based on the facts and circumstances existing at that date. All financial assets continue to be held to collect contractual cash flows and meet the solely payments of principle and interest condition, all financial assets and financial liabilities therefore remain measured at armotised cost.

Impairment

The entity applied the impairment requirements retrospectively. Because comparatives were not restated, the loss allowance at 1 April 2025 was determined under the expected credit loss model. No changes were made to the opening accumulated surplus.

Presentation and disclosure requirements

The initial application of the revised Standard did not result in any material adjustment to the carrying amounts of financial assets and liabilities. As a result thereof, there were no material adjustments required and the assessment concluded that the initial application of the revised Standard did not have a material impact on the measurement of the entity's financial instrument. The primary impact of GRAP 104 relates to the additional disclosures included in Note 22.

2.2 prior year error

The Department of Sport, Arts and Culture (DSAC) provides Capital Grant Funding to the Public Entities that report to DSAC. DSAC has in place an Infrastructure Management Policy. The purpose of the Infrastructure Management Polic is to provide a regulatory framework for managing the processes of acquisition, utilisation and disposal of immovable assets including the implementation of the infrastructure projects across the DSAC and its public entities in a manner that supports service delivery and to assign responsibilities to the various role players within the Department and public entities.

The Capital Works Budget Allocation letter states that Capital works funds which are not spent by 31 March of every financial year should be recorded as deferred income in the Annual Financial Statement.

The Infrastructure Management Policy states that the institution should seek approval from the DSAC Accounting Officer before the interest and savings are utilised for infrastructure projects and maintenance of building structures and non-compliance will lead to entities returning the interest used.

In the previous financial years the entity recognised the full amount of interest earned in the Statement of Financial Performance.

The Infrastructure Management Policy required that the interest be recognised as deferred income until approval was sought and received from DSAC to use it for infrastructure projects and maintenance of building structures.

The error has subsequently been rectified and has affected the Financial Statements as follows:

	R March 2026	R Restated March 2025
1 April 2024		
Statement of Financial Position		
Increase in Deferred Income		6 576 545
Decrease in accumulated surplus		(6 576 545)
Net effect on Statement of Financial Position		-
Decrease in Accumulated Surpluses as at 1 April 2024		(6 576 545)
31 March 2025		
Statement of Financial Position		
Decrease in Interest Income		(879 812)
Increase in Grants: Interest accumulated utilised from conditional grants		2 715 807
Decrease in deficit for the year		(1 835 994)
Net effect on Statement of Financial Performance		-
Statement of Financial Position		
Decrease in Deferred Income		(1 835 994)
Increase in accumulated surplus		1 835 994
Net effect on Statement of Financial Position		-

3. Assets

3.1 Heritage assets	Land and Buildings	Artworks	Total
Carrying amount 1 April 2024	**91 771 943**	**450 974**	**92 222 917**
Gross carrying amount	91 622 405	450 974	92 073 379
Accumulated Impairment loss	-	-	-
WIP	149 538	-	149 538
WIP - additions	1 344 773	-	1 344 773
Transfers from PPE	54 761		54 761
Impairment	-		-
Carrying amount 31 March 2025	**93 171 477**	**450 974**	**93 622 451**
Gross carrying amount	91 622 405	450 974	92 073 379
Accumulated Impairment loss	-	-	-
WIP	1 549 072	-	1 549 072
WIP - additions	507 655	-	507 655
WIP - transfers	(2 056 727)	-	(2 056 727)
Fair value adjustment	-	-	-
Transfers	2 979 893	-	2 979 893
Impairment	-	-	-
Carrying amount 31 March 2026	**94 602 297**	**450 974**	**95 053 271**
Gross carrying amount	94 602 298	450 974	95 053 272
Accumulated Impairment loss	-	-	-
WIP	(0)	-	(0)

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

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

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

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

No heritage assets are pledged as security.

Repairs and maintenance amounted to R5 276 963 (2025: R5,331,020).

3.2 Reconciliation of carrying value of property, plant and equipment	Motor vehicles	Maintenance Spares	Office furniture and other equipment	Computer equipment	Stage equipment	Workshop equipment	Capitalised leased assets (land and buildings)	Capitalised leased assets (office equip, and other fixtures)	Total
Carrying amount 1 April 2024	468 652	26 755	1 999 679	1 710 959	23 608 274	38 552	25 989 709	22 310 776	76 153 356
Gross carrying amount	4 395 830	26 755	13 961 633	7 225 419	72 784 049	456 187	66 807 979	82 499 930	248 187 782
Accumulated depreciation	(3 927 178)	-	(11 961 954)	(6 162 586)	(49 17 775)	(417 635)	(41 016 047)	(62 075 522)	(174 736 697)
WIP	-	-	-	618 126	-	-	197 777	1 886 368	2 702 271
Additions	-	-	256 246	1 540 850	4 650 218	-	-	413 798	6 861 112
Transfers	-	-	-	-	-	-	372 302	854 555	1 226 857
WIP - additions	-	-	-	272 405	-	-	174 525	3 626 990	4 073 920
WIP - transfers	-	-	-	-	-	-	(372 302)	(909 315)	(1 281 617)
Depreciation	(212 408)	-	(737 849)	(573 997)	(3 718 069)	(14 577)	(2 335 823)	(6 293 416)	(13 886 139)
Depreciation write-back	-	-	-	-	-	-	-	-	-
Disposals	(18 210)	-	(34 871)	(429)	(629)	(12 543)	-	-	(66 681)
Cost	(579 682)	-	(1 149 242)	(95 795)	(969 311)	(293 054)	-	-	(3 087 084)
Accumulated depreciation	561 472	-	1 114 371	95 367	968 682	280 511	-	-	3 020 403
Carrying amount 31 March 2025	238 034	26 755	1 483 205	2 949 789	24 539 794	11 432	23 828 411	20 003 388	73 080 808
Gross carrying amount	3 816 148	26 755	13 068 637	8 700 474	76 464 956	163 133	67 180 281	83 768 283	253 188 667
Accumulated depreciation	(3 578 114)	-	(11 585 432)	(6 641 216)	(51 925 162)	(151 701)	(43 351 870)	(68 368 938)	(185 603 433)
WIP	-	-	-	890 531	-	-	-	4 604 043	5 494 574
Additions	-	-	57 282	290 385	-	-	-	-	347 667
Transfers	-	-	-	-	-	-	-	2 097 929	2 097 929
WIP - additions	-	-	-	-	-	-	-	1 279 651	1 279 651
WIP - transfers	-	-	-	(890 531)	-	-	-	(3 021 094)	(3 911 625)
Depreciation	(188 471)	-	(514 076)	(886 316)	(4 039 547)	(5 991)	(2 310 575)	(4 765 048)	(12 710 023)
Disposals	(63)	-	(121 521)	(7 223)	(3 043)	(883)	(10 092 509)	(1 949 842)	(12 175 084)
Cost	(3 629)	-	(1 008 805)	(471 558)	(117 327)	(79 944)	(27 083 302)	(13 362 226)	(42 126 790)
Accumulated depreciation	3 566	-	887 284	464 335	114 284	79 061	16 990 793	11 412 384	29 951 706
Carrying amount 31 March 2026	49 501	26 755	904 890	1 456 104	20 497 205	4 558	11 425 326	13 644 983	48 009 322
Gross carrying amount	3 812 519	26 755	12 117 114	8 519 301	76 347 630	83 188	40 096 979	72 503 985	213 507 472
Accumulated depreciation	(3 763 018)	-	(11 212 224)	(7 063 197)	(55 850 425)	(78 631)	(28 671 652)	(61 721 602)	(168 360 750)
WIP	-	-	-	-	-	-	-	2 862 600	2 862 600

Land and buildings comprise:
Rem of Portion 3 of ERF 615 of Brickfield.
Portion 3 of ERF 10635 of Durban.

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

The useful lives, depreciation methods and residual values of property, plant and equipment are reassessed annually, and adjustments are processed where necessary.

Work in progress amounting to R2 862 600 represents provisional payments made for the supply and installation of smoke detectors. The works are expected to be completed during the first quarter of the new financial year.

Maintenance expenditure amounted to R3 371 023 (2025: R4 104 340) for external service providers. Salaries for in-house maintenance staff amounted to R4 991 922 (2025: R4 129 273).

No property, plant and equipment are pledged as security.

3.3 Intangible assets	Software	Total
	R	R
Carrying amount 1 April 2023	**294 395**	**294 395**
Gross carrying amount	2 890 286	2 890 286
Accumulated amortisation	(2 595 892)	(2 595 892)
Additions	316 647	316 647
Amortisation	(230 877)	(230 877)
Disposals	**(21)**	**(21)**
Cost	2 890 286	2 890 286
Accumulated amortisation	(2 595 892)	(2 595 892)
Carrying amount 31 March 2025	380 143	380 143
Gross carrying amount	2 421 256	2 421 256
Accumulated amortisation	(2 041 113)	(2 041 113)
Additions	121 095	121 095
Transfers	890 531	890 531
Amortisation	(664 081)	(664 081)
Disposals	(1)	(1)
Cost	(4 293)	(4 293)
Accumulated amortisation	4 292	4 292
Carrying amount 31 March 2025	727 687	727 687
Gross carrying amount	3 428 589	3 428 589
Accumulated amortisation	(2 700 902)	(2 700 902)

4. Change in estimate

	March 2026 R	Restated March 2026 R
Change in estimate	**-**	**-**

Property, plant, equipment and intangibles

The Statement of Generally Recognised Accounting Practices (GRAP), Property Plant and Equipment, GRAP 17 states under paragraph 56 " An entity shall assess at each reporting date whether there is any indication that the entity's 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 shall revise the expected useful life and/or residual value accordingly. The change(s) shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3)."

The Playhouse Company assesses the remaining useful life of assets at the end of each reporting date.

The depreciation charge calculated on the original useful life of the affected assets amounted to R 3 297 787. The depreciation charge based on the revised useful life of the affected assets amounted to R 824 447. The change in estimate amounts to R 2 473 340.

	Notes	March 2026 R	Restated March 2026 R
5. Inventories			
Bar stock		140 788	168 837
Workshop		(0)	62 384
Wardrobe		(0)	(0)
General stores		135 550	167 703
Total		276 338	398 924
Inventories recognised as an expense during the year			
Bar stock		15 444	3 296
Workshop		21 657	110 151
Wardrobe		-	93 936
General stores		12 403	1 982
Total		49 504	209 366

Inventory pledged as security:
There was no inventory pledged as security for the period ended 31 March 2025.

	Notes	March 2026 R	Restated March 2026 R

6. Trade and other receivables

Inventories recognised as an expense during the year			
Trade receivables		54 569	514 817
Staff debtors		54 620	51 980
Other receivables (grant income, ticket sales, deposits and interest accrual)		1 747 845	3 797 708
		1 857 034	4 364 505
Less: Debtors impairment		(7 876)	(434 629)
TOTAL		**1 849 158**	**3 929 876**

Analysis of trade and other receivables for reporting purposes:			
90 days and over		7 876	435 629
60 days		36 300	53 399
30 days		15 200	24 533
Current		1 789 782	3 416 315
TOTAL		**1 849 158**	**3 929 876**

6.1 Movement in the provision for impairment of debtors			
Balance at 1 April		434 629	374 893
Provision for debtors impairment		7 476	168 968
Receivables written off during the year as uncollectible		(268 442)	-
Unused amounts reversed		(165 787)	(109 232)
Balance at 31 March		**7 876**	**434 629**

7. Cash and cash equivalents at end of year

Cash available immediately		24 221 313	28 696 976
TOTAL		**24 221 313**	**28 696 976**

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

	Notes	March 2026 R	Restated March 2026 R

8. Deferred Income

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

		March 2026 R	Restated March 2026 R
Conditional Grants and receipts: DSAC			
Opening Balance		7 083 915	16 026 168
Add: Conditional grants received		13 001 384	7 600 000
Less: Conditions met and transferred to revenue		(6 808 390)	(16 542 252)
Closing balance		**13 276 909**	**7 083 916**
Interest on Conditional Grants: DSAC			
Opening Balance		4 740 550	6 576 545
Add: Interest capitalised		264 829	879 812
Less: Conditions met and transferred to revenue		(3 612 793)	(2 715 807)
Closing balance		**1 392 586**	**4 740 550**
Production Grant: KZNDSAC			
Opening Balance		-	-
Add: Conditional grants received		4 700 000	-
Less: Conditions met and transferred to revenue		(4 699 335)	-
Closing balance		665	-
Total		**14 670 160**	**11 824 466**
Disclosed as:			
Non current liabilities		1 036 744	857 604
Current liabilities		13 633 417	10 966 862
		14 670 161	**11 824 466**

9. Trade and other payables

		March 2026 R	Restated March 2026 R
Trade payables		446 789	2 126 118
Other payables and accruals (creditor accruals and deposits received from clients)		2 845 518	3 537 814
Leave pay accrual		2 478 279	2 622 047
Bonus accrual		832 784	867 223
Total		**6 603 370**	**9 153 202**

	Notes	March 2026 R	Restated March 2026 R

10. Revenue from exchange transactions: Services facilities and equipment

Hire of performance venues, sets, and mobile stage		2 479 841	2 812 931
Box office income		3 109 056	4 240 643
Rent received		168 703	211 910
Bar & other sales		1 321 339	1 092 389
Functions		103 694	239 998
Box office commission – external productions		339 554	442 781
Gains on sale of assets		-	374 683
Sundry revenue - admin, webticket commission		104 179	446 770
TOTAL		**7 626 366**	**9 862 105**

11. Revenue from exchange transactions: Interest received

Interest - investments		684 409	1 179 636
Interest - current accounts		449 321	1 055 939
TOTAL		**1 133 730**	**2 235 575**

12. Revenue from non-exchange transactions: Grants

National Department of Sport, Arts and Culture (DSAC)		55 893 000	53 542 000
Special Capital Expenditure Grant - (DSAC)		6 808 390	16 542 252
Special Capital Expenditure Grant - Interest recognised from deferred income		3 612 793	2 715 807
KZN Department of Sport, Arts and Culture		4 699 335	5 600 000
TOTAL		**71 013 518**	**78 400 059**

13. Depreciation & amortisation

Depreciation of property, plant and equipment:		12 710 023	13 886 138
Motor vehicles		188 471	212 408
Office furniture and other equipment		514 076	737 849
Computer equipment		886 316	573 997
Stage equipment		4 039 547	3 718 069
Workshop equipment		5 991	14 577
Leased assets - land and buildings		2 310 575	2 335 823
Leased assets - equipment & other fixtures		4 765 048	6 293 416
Amortisation		664 081	230 877
Intangible assets		664 081	230 877
TOTAL		**13 374 104**	**14 117 015**

	Notes	March 2026 R	Restated March 2026 R

13. Employee related costs

Salaries		26 576 318	26 051 448
Adhocs		3 298 727	3 284 578
Provident funds		3 633 499	3 602 055
Medical aid		708 680	700 400
Uif		142 360	144 293
Bonus (13th cheque)		2 271 830	2 104 454
Overtime		629 927	510 763
Leave		(114 967)	(373 094)
Housing subsidies		826 927	804 187
Long service awards		7 509	23 887
Total		**37 980 810**	**36 852 971**

14. General Expenses

Audit fees		2 432 656	2 146 146
Bank charges		143 860	133 273
Conferences and delegations		36 792	-
Consulting fees		35 928	429 995
Consumables		650 946	703 071
Council - attendance		644 580	726 834
Council - travel		89 251	44 392
Fuel and oil		20 961	17 584
Health and Safety		153 121	203 133
Insurance		653 430	577 576
Legal expenses		285 118	162 266
Licence fees		905 446	646 465
Loss on sale of assets		2 183	34 294
Marketing and advertising		215 403	172 920
Other		1 003 445	1 426 020
Printing and stationery		269 331	304 295
IT Maintenance and support		1 194 018	1 372 966
Subscription & publication		72 340	83 220
Telephone cost		285 725	279 324
Training		152 721	106 742
Travel and subsistence - Foreign		249 676	306 182
Travel and subsistence - Local		545 282	375 406
Uniforms & overalls		285 815	278 518
Water		972 196	917 517
Total		**11 300 224**	**11 448 139**

	Notes	March 2026 R	Restated March 2026 R

16. Maintenance expenditure

	Notes	March 2026 R	Restated March 2026 R
Buildings		8 339 061	8 533 318
Fire fighting equipment		5 141	17 430
Motor vehicles		202 793	185 774
Plant, machinery &		93 791	148 103
equipment General		7 200	6 300
TOTAL		**8 647 986**	**8 890 925**

17. Production expenditure

	Notes	March 2026 R	Restated March 2026 R
Productions and festivals		11 269 084	14 239 272
Administrative		138 475	271 592
Airfares and accommodation		868 456	2 056 935
Artist fees		7 184 077	8 689 369
Marketing and publicity		657 675	556 464
Materials		269 887	264 667
Equipment and venue hire		1 022 055	1 134 198
Royalty commission and licences		118 193	555 237
Subsistence and travel		1 010 266	710 810
Outside hirers		3 844	(10 713)
Mobile stage		-	517
TOTAL		**11 272 928**	**14 229 076**

18. Discontined Operation: Surrender of Workshop

A discontinued operation is a component of the Entity that has either been disposed of or is classified as held for sale. A discontinued operation represents a separate major line of business. Profit or loss from discontinued operations comprises the profit or loss of the discontinued operation, together with any gain or loss recognised on its measurement at fair value less costs to sell or on the disposal of the disposal group(s) constituting the discontinued operation.

Surrender of Workshop

The Playhouse Company leased the building at 78 Ramsay Avenue, Mayville (hereafter referred to as the Workshop) from the KwaZulu-Natal Department of Public Works and Infrastructure.

At its meeting held on 23 December 2025, Council resolved to surrender the Workshop to the KwaZulu-Natal Department of Public Works and Infrastructure, being its rightful owner. The decision was taken as the Workshop was significantly underutilised while incurring annual management and maintenance costs of approximately R3 million.

The Workshop was formally surrendered to the KwaZulu-Natal Department of Public Works and Infrastructure on 31 March 2026. The financial implications arising from the surrender of the Workshop are detailed below.

18.1 Financial Performance and Cash Flow Information

Loss from Surrender of Workshop

Revenue from exchange transactions	213 665	742 102
Services facilities and equipment	213 665	742 102
Revenue from non-exchange transactions	3 539 290	3 309 863
Services in kind	3 539 290	3 309 863
Total Revenue	**3 752 955**	**3 752 955**
Less : Expenditure	7 960 847	9 297 958
Cleaning	391 159	540 230
Depreciation & amortisation	1 669 051	1 687 389
Electricity	627 090	1 084 497
Employee related costs	0	1 001 295
General expenses	623 003	405 887
Maintenance expenditure	203 074	335 917
Rates and taxes	3 539 290	3 309 863
Security costs	908 180	932 880
Deficit for the year from operations	(4 207 892)	(5 245 993)
Loss from Surrender of Workshop	12 172 902	-
Deficit for the year	**(16 380 794)**	**(5 245 993)**
Net cash inflows/(outflows) attributable to the Surrender of Workshop		
Operating activities	(2 538 841)	(3 558 604)
Investing activities	-	-
Financing activities	-	-
Net increase/(decrease) in cash generated by the Surrender of Workshop	**(2 538 841)**	**(3 558 604)**

18.2 Financial Position

Non-current assets	-	12 852 273
Property, plant and equipment	-	12 852 273
Intangible assets	-	-
Total Assets	**-**	**12 852 273**
LIABILITIES		
Net assets	-	12 852 273
Accumulated surplus	-	-
TOTAL NET ASSETS AND LIABILITIES		**12 852 273**

18.3 Effect of the Surrender of Workshop on the financial position

Property, plant and equipment	(12 172 902)
Net Assets and Labilities	(12 172 902)
Consideration received	-
Net Loss on Surrender of Workshop	**(12 172 902)**

19. Deficit for the year

The deficit for the 2026 and 2025 financial years takes into account depreciation and the recognition of capital income in accordance with GRAP 23 – Revenue from Non-Exchange Transactions (Taxes and Transfers).

In terms of section 53(3) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), a public entity may not budget for a deficit or accumulate surpluses unless written approval has been obtained from the National Treasury.

The Playhouse Company received approval from the National Treasury to retain the accumulated surplus for the reporting period ended 31 March 2025.

The Playhouse Company will submit a request to the National Treasury for approval to retain the accumulated surplus for the reporting period ended 31 March 2026 in August 2026.

20. Reconciliation of statement of changes in net assets

Balance at 31 March Made up as follows:	148 863 559	179 131 510
GRAP 23 Government grant recognised on free use of land and building	115 190 000	141 900 000
Changes in net assets relating to operations	33 673 559	37 231 510

21. Reconciliation of cash (utilised)

Deficit for the year Adjusted for:	(30 267 951)	(9 558 664)
Depreciation, amortisation and impairment	13 374 104	1 687 389
(Profit on disposal) Loss on disposal of property, plant and equipment	12 175 085	(340 389)
Interest received	(1 133 730)	(2 235 575)
Operating cash flows before working capital changes	**(5 852 493)**	**1 982 387**
Working capital changes	2 477 490	(12 696 382)
Decrease (Increase) in inventories	122 586	183 579
Decrease (Increase) in accounts receivable	2 059 041	(2 762 207)
(Decrease) Increase in accounts payable	(2 549 832)	660 493
Increase (Decrease) in deferred income	2 845 695	(10 778 247)
Cash (utilised) in operations	**(3 375 003)**	**(10 713 995)**

22. Significance for financial instruments for financial position and financial performance

Overview
The Playhouse Company has exposure to the following risks arising from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk

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

In terms of Treasury Regulation 27.2.1, issued in terms of the Public Finance Management Act (PFMA), the Accounting Authority (Council) must ensure that a risk assessment is conducted regularly to identify emerging risks within the entity. To fulfil this responsibility, Council has established the Audit and Governance Committee, which is responsible for overseeing the development and monitoring of The Playhouse Company's risk management policies.

The Playhouse Company's risk management policies are designed to identify and analyse the risks faced by the entity, establish appropriate risk limits and controls, and monitor risks and compliance with those limits. These policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. Through appropriate training, management standards and operating procedures, The Playhouse Company seeks to maintain a disciplined and effective control environment in which all employees understand their responsibilities.

The Audit and Governance Committee oversees management's compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by The Playhouse Company. The Committee is supported by the Internal Audit Function, which performs both scheduled and ad hoc reviews of risk management controls and procedures. The findings of these reviews are reported to the Audit and Governance Committee.

Class of financial assets

- Cash and cash equivalents 24,221,313 28,696,976
- Trade receivables 49,593 80,688
- Staff debtors 51,720 51,480
- Other receivables (deposits and interest accrual) 747,845 997,708
- Total credit risk exposure at armotised cost 25,070,471 29,826,852

The following financial instruments are considered to have low credit risk

Financial Instrument Class
Cash and cash equivalents Financial asset measured at amortised cost. Funds are held with reputable South African institutions with strong credit ratings and no history of default.

Trade receivables Financial asset measured at amortised cost.The entity has a a debt magamnet policy in place. Debtors are required to pay venue hire and additional costs upfront. There are instances however, where overtime and subsistence and travel costs arise during the production and tehse are then recovered from the debtors.

Staff debtors Financial asset measured at amortised cost. The employees sign an acknowledgement of debt when the loan is advvanced. The load amount is deducted on a monthly basis from the employees salary.

Other receivables (deposits and interest accrual) Financial asset measured at amortised cost. This comprises mainly deposits with eThekwini Municipality. Management assessed the risk of default as low.

Class of financial liabilities
- Total <1 year
- Total<1 year

Trade payables	446 789	2 126 118
Other payables and accruals (creditor accruals and deposits received from clients)	2 845 518	3 537 814
Total	**3 292 306**	**5 663 933**

	Notes	March 2026 R	Restated March 2026 R
Statemement of finnacial position			
Items of revenue			
Interest received		1,133,730	2,235,575
Total Interest received		1,133,730	2,235,575
Changes in loss allowance and gross carrying amount			
Trade receivables and staff debtors measured at armotised cost			
Loss allowanace at the beginning of the year		434,629	374,893
Provision for debtors impairment		7,476	168,968
Receivables written off during the year as uncollectible		(268,442)	-
Unused amounts reversed		(165,787)	(109,232)
Loss allowanace at the end of the year		7,875	434,629

Comparative information has not been restated in accordance with the transitional provisions of revised GRAP 104. The 2025 closing doubtful debt allowance represents the impairment balance recognised under the previous impairment model prior to the adoption of the Expected Credit Loss (ECL) model, both of which are similar in nature but worded differently.

Guarantees
The Playhouse Company's policy is to provide financial guarantees only in respect of specified services.

The following guarantees were in place during the reporting period:
- eThekwini Municipality – Services: R274 966
- The Postmaster – Services: R30 360

These guarantees expired on 31 December 2025 and were not renewed.

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

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

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

The only risks the entity faces is the payment of short-term liabilities that come through suppliers of goods and services and staff leave pay and bonus accruals which is mitigated by the preparation of a budget annually and the monitoring of expenditure on a quarterly basis to determine if there is a possibility of no cash available to pay suppliers and staff.

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

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

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Playhouse Company is exposed to foreign exchange risk through the importation of capital equipment. These transactions are primarily denominated in Euro (EUR). The Playhouse Company's risk management policy is not to enter into forward exchange contracts.

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

At 31 March 2026, the carrying amounts of cash and cash equivalents, trade receivables and trade and other payables approximate their armotised cost due to their short term maturities. Trade receivables and payables will mature within 30 to 60 days.

Sensitivity analysis
Market risk (Interest rate risk) is presented by way of a sensitivity analysis. This illustrates the effect of changes in the market on the interest income. The sensitivity analysis is based on the assumption that changes in the market will affect the interest income. One percentage movement in the effective interest rate would have the following effect on the net income for the year:

The cash available at 31 March 2026 was R24 221 313 (2025 - R28 696 976).

At 31 March 2026, if interest rates at that date had been 100 basis points higher or lower, with all other variables held constant, profits would have increased or decreased by R242 213.

Fair values
The armotised cost of financial assets and liabilities are the same as the carrying values reflected in the Statement of Financial Position.

23. Tax exemption

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

	Notes	March 2026 R	Restated March 2026 R
24. Key management and council			
Key management			
L Bukhosini - (Chief executive and artistic director)		**3 038 053**	**2 878 959**
Salary		2 408 108	2 282 567
Bonus		200 676	190 214
Pension, med-aid contributions		397 338	376 623
Other (s&t, cell phone allowance, etc.)		31 931	29 555
A Mohanparasadh - (Chief financial officer)		**2 167 001**	**2 175 327**
Salary		1 865 312	1 768 069
Bonus		155 443	147 339
Pension, Med-aid Contributions		21 624	20 111
Other (s&t, cell phone allowance)		124 622	239 808
S Moodley - April - Sept 2024 (Acting Facilities manager)		**-**	**612 493**
Salary		-	551 989
Other (s&t, cell phone allowance, leave pay, etc)		-	60 504
TOTAL SENIOR MANAGERS		**5 205 054**	**5 542 363**
Members of council and subcommittees		**761 838**	**685 298**
K Kunene – Chairperson of Council		131 702	126 631
TC Mngadi		53 812	69 683
L Gopaul		19 263	18 475
R Govender		57 908	59 512
SE Dlamini****		-	73 470
C Jugnarayan		47 753	-
F Dantile		54 206	59 458
D Brijlal		54 172	-
MJ Ndlovu*		-	43 168
Z Koyana*		48 428	69 844
F Merchant		36 222	-
T P Molefe		44 248	-
T Mandisa		76 588	10 917
T Jimana		57 835	11 868
BW Ngubane*		79 701	142 272
Total emoluments		**5 966 892**	**6 227 661**

* External independent non executive member of the audit and governance committee.****Term ended on 8th December 2024

25. Retirement benefits

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

The contribution to the provident funds R3 633 499 (2025: 3,602,055) and is included in staff cost.

26. Related parties

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

Operational grants received for the financial year amounted to R55 893 000 (2025: R53,542,000) and for the year ending 2026/27 will amount to R57,121,000.

Facilities management grant of R4,459,563 (2025: R7,600,000) was received for the financial year, is recorded as deferred income. R8,541,821 was received on 23 March 2026 for the replacement of the tungsten lights with LED lights and is recorded as deferred income.

An amount of R0 (2025: R1,500,000) was recorded as sponsorship for the incubator projects. An amount of R1,500,000 was recorded as sponsorship for the production concluded in terms of an interdepartmental agreement in 2023.

26.2 KZN Department of Sport, Arts and Culture
KZNDSAC provides production funding to The Playhouse Company on an annual basis. A memorandum of agreement is entered into annually.

Grant received recognised as per the MOA for the financial year amounted to R 4,700,000 (2025: R 5,600,000) and for the year ended 2026/27 no grant allocation letter was received. An amount of R2 800 000 was received on 15 August 2025 which was accrued for in 2024-25. The KwaZulu Department of Sport, Arts and Culture redirected an amount of R 700 000 from The Playhouse Company's production grant funding to one of their programs from an amount that was originally allocated to The Playhouse Company.

26.3 Department of Public Works
The Department of Public Works is the legal owner of land and buildings occupied by The Playhouse Company through the National Department of Sport, Arts & Culture. The Department of Public Works pays the rates for the buildings occupied by The Playhouse Company. The Playhouse Company leases the property at no charge. The Department paid for rates for the year as follows: R7,930,939 (2025: R7,445,054).

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

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

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

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

b) As part of the restructuring process in 1999 assets (orchestral equipment, scripts and scores with an original cost of R328 739 were transferred to the KZNPO at a nil value.

c) The Playhouse Company receives a discounted rate for the artistic services offered by KZNPO to The Playhouse Company.

	Notes	March 2026 R	Restated March 2026 R
Payments by The Playhouse Company to KZNPO for artistic services		1 210 049	936 723
Accrual by The Playhouse Company		0	0
Payments by KZNPO to The Playhouse Company		266,470	610 963

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

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

26.6 Council

The Council was appointed by the Minister of Arts and Culture to oversee and ensure good corporate governance. Council has various subcommittees such as Arts and Fundraising, Finance, Audit and Governance, Human Resources and Remuneration Committees that guide and assist management which is appointed by Council. Refer note 24 - compensation.

26.6 Key personnel

Chief executive and artistic director - Linda Bukhosini.
Chief financial officer - Amar Mohanparasadh. Refer note 24 - Compensation.

	Notes	March 2026 R	Restated March 2026 R

27. Subsequent events

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

28. Irregular, fruitless or wasteful expenditure

Irregular expenditure		-	7 909 142

Irregular expenditure for the 2024/25 financial year

Error in applying the requirement of the Preferential Procurement Regulations 2022 (PPR2022) R3 167 542. We note that there was an error in applying the requirement of the Preferential Procurement Regulations 2022 (PPR2022). The request for quotations did not include the specific goals in the invitation to submit the price quotations for which specific goals points were awarded. The entity correctly evaluated all price quotations below R1 million using the 80/20 preference points system as detailed in the entity's Procurement for Goods and Services Policy and Procedure: 80 points was awarded for price and 20 points was awarded for Black The entity did not suffer financial loss as a result of the error which resulted in irregular expenditure. The error which resulted in irregular expenditure does not relate to any criminal conduct.

Non-compliance with the budget framework.

Overspending on budget -R 4,741,600.

The total approved budget for the year was not exceeded. The entity has however overspent on individual expense line items of electricity and repairs and maintenance that are included in the total budget. The entity received additional grant funds for electricity and repairs and maintenance after the budget adjustment period in September 2024 and the budget could thus not be amended for the additional grant funds received.

At the January 2026 Council meeting, the entity requested Council to condone the irregular expenditure. Council approved the entity's request.

29. Services in-kind

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

Rates and taxes paid by the Department of Public Works KZN	7 930 939	7 445 054

30. Commitments

At the balance sheet date The Playhouse Company had the following outstanding capital\service commitments:

Fire detection - tender awarded	4 483 105
Fire detection - capital commitments outstanding at year-end	1 047 246
Head office cladding - tender awarded	1 803 393
Head office cladding - capital commitments outstanding at year	399 909

31. Contingent liability

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

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

31.2 The Playhouse Company Legal Matters

- Service provider vs The Playhouse Company
- A service provider issued a summons claiming an amount of R445 183.03 as outstanding under the service level agreement.
- The Playhouse Company is defending the action.
- Management through its attorneys have requested the service provider to submit proof to substantiate the claim being made.
- Because the final outcome of this litigation is subject to significant future uncertainties, no provision has been recognized in the statement of financial position.

Former employee vs The Playhouse Company

- A former employee is challenging the termination of this employment contract and claiming unfair dismissal. The employee lodged a claim with the Commission for Conciliation, Mediation and Arbitration (CCMA). The employee is claiming to be re-instated.
- The Playhouse Company is defending the action at the CCMA.
- Because the final outcome of this CCMA matter is subject to significant future uncertainties, no provision has been recognized in the statement of financial position.
- Section 194 of the Labour Relations Act limits compensation to 12 months of gross salary in cases of unfair dismissal. In the case where an employee is claiming to be re-instated, the provision for an amount is uncertain.
- In the unlikely event that the CCMA rules in favour of the former employee, the compensation in settlement could be R1 200 000

32. Segment Reporting

GRAP 18 paragraph .05 defines a segment as an activity of an entity:
a) that generates economic benefits or service potential;
b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
c) for which separate financial information is available.

- Management assessed the activities carried out by the entity at the Mayville Workshop against the requirements of para .05 of GRAP 18 and concluded that the activities carried out at the Mayville Workshop does not meet the definition of a reportable segment for the following reasons:
- The Mayville Workshop only works as a support function for the Theatre. It does not have its own mandate or programmes that it is separately measured on,
- Revenue generated by Mayville Workshop is only incidental to revenue earned at the Theatre, i.e. it generates revenue from leasing vacant office space, props, costumes and sets that are not in use by the Theatre,
- These sources of revenue do not form part of the entity mandate, and
- The Mayville Workshop is in the same geographical location as the Theatre and Head Office

	Notes	March 2026 R	Restated March 2026 R

33. Reconciliation between budget and statement of financial performance

Net deficit per the statement of financial performance Adjusted for:		(30 267 951)	(9 558 664)
Increase in capital works grant from DSAC		(10 421 182)	(18 378 246)
Increase in grant received		(1 000 000)	(1 000 000)
Decrease in grant KZN DSAC received		700 666	-
Increase in sponsorship for the staging of productions		-	-
Increase in production income		(1 900 025)	(661 390)
Increase in liquor bar and sundry income		(297 648)	(1 555 225)
Decrease in finance income		409 349	334 613
(Decrease)Increase in production expenditure		(1 127 089)	(870 924)
(Decrease)Increase in compensation to employees as certain positions not filled		(486 188)	(1 333 371)
Increase Increase in consumables, electricity and cleaning		(259 930)	1 270 723
Increase in council expenses		42 484	249 254
Increase in telephone expenses		77 644	94 765
Increase (Decrease) in repairs and maintenance		239 238	3 519 794
Increase in other operating expenses		(519 372)	2 125 845
Depreciation		25 547 006	14 117 015
Capital expenditure budgeted but not processed to statement of financial performance		(2 814 763)	(17 971 327)
Net deficit per approved budget (including capex)		**(22 077 762)**	**(29 617 138)**

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

Statement of Financial Performance Actual vs. Budget	2026 Actual R	2026 Original Budget R	2026 Amended Budget R	2026 Variance R	2026 Variance %
REVENUE	**86 570 824**	**72 317 795**	**65 721 693**	**20 849 130**	
Grants	71 013 518	67 894 385	60 293 000	10 720 518	18%
Production income	3 109 056	2 304 887	1 916 459	1 192 597	62%
Donations and sponsorships	-	-	-	-	0%
Rent received	168 703	241 114	151 106	17 597	12%
Hire of performance venues, costumes and sets	2 479 841	1 110 742	1 772 413	707 428	40%
Box office commission - external productions	339 554	50 000	250 000	89 554	36%
Bar and other sales	1 321 339	490 524	1 207 000	114 339	9%
Services in kind	7 930 939	-	-	7 930 939	100%
Sundry income	207 873	226 142	131 715	76 158	58%
EXPENDITURE	**105 799 603**	**76 127 468**	**86 527 771**	**19 271 832**	
Production expenditure	11 272 927	6 875 000	12 400 016	(1 127 089)	-9%
Employee related costs	37 980 810	40 530 437	38 466 999	(486 188)	-1%
Auditors fees external	1 699 601	1 100 000	1 695 938	3 663	0%
Auditors fees internal	733 055	732 725	764 495	(31 441)	-4%
Council related expenses	733 832	591 348	691 348	42 484	6%
Cleaning and sanitation	3 566 269	2 883 881	3 549 546	16 723	0%
Consumables	647 358	683 138	689 348	(41 900)	-6%
Electricity	6 774 459	6 553 627	6 992 399	(217 940)	-3%
Security	4 641 939	4 536 800	4 555 877	86 062	2%
Insurance	653 430	554 514	613 026	40 404	7%
Legal expenses	285 118	53 500	280 377	4 741	2%
Marketing	214 244	214 000	264 000	(49 755)	-19%
Rates & taxes	7 930 939	-	-	7 930 939	100%
Repairs & maintenance	8 647 986	4 593 505	8 408 748	239 238	3%
Telephone	285 725	193 245	208 081	77 644	37%
Training	152 721	200 000	240 388	(87 668)	-36%
Travel - local and overseas	597 807	625 931	633 765	(35 985)	-6%
Water	927 196	685 413	899 604	72 592	8%
Depreciation	13 374 104	-	-	13 374 104	100%
General expenses	4 635 082	4 520 321	5 173 078	(538 735)	-10%
Deficit from operations	**19 228 779**	**3 809 673**	**20 806 078**	**1 577 298**	
Interest received	1 133 730	2 500 000	1 543 078	(409 349)	
Deficit for the year	**18 095 049**	**1 309 673**	**19 263 000**	**1 167 949**	
Surrender of Workshop	(12 172 902)	-	-	(12 172 903)	
Deficit for the year	**(30 267 951)**	**1 309 673**	**19 263 000**	**11 004 954**	

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

Explanation of significant variance
The capital grant and facilities management grant utilised in the current year have been recognised in terms of GRAP 23 from deferred income. The capital grant and facilities management grant was transferred from deferred income to the statement of financial performance. DSAC awarded an additional one million rand towards the operational expenses during the year. The KwaZulu Department of Sport, Arts and Culture redirected an amount of R 700 000 from The Playhouse Company's production grant funding to one of their programs from an amount that was originally allocated to The Playhouse Company.
The notable increase in production income is attributed to the additional revenue generated from box office takings for productions presented during the year
N/a
Additional income generated from hiring of premises in Mayville
There was a significant increase in demand from external hirers throughout the year. As this demand is highly variable and dependent on market conditions, it is not feasible to forecast with precision during the budgeting process. Nevertheless, this unanticipated uptake in venue usage has positively impacted the Entity's income, contributing to a favourable variance in revenue.
Box Office Commission revenue exceeded budgeted projections due to higher-than-anticipated ticket sales generated by external hirers. The increased volume of ticketed events led to a corresponding rise in commission income, resulting in a positive variance.
Bar sales for the year exceeded . This favourable outcome was driven primarily by a particularly busy Christmas Season. These factors contributed to increased patronage and higher overall sales.
Services in kind as disclosed in note 29.
The additional revue was generated for the sale of equipment, machinery, costumes and props that are no longer used by the entity
KZNDSAC redirected an amount of R 700 000 from The Playhouse Company's production grant funding to one of their programs from an amount that was originally allocated to The Playhouse Company.
N/a
N/a
N/a
Costs were incurred for unplanned additional Council meeting to deal with critical company matters in December 2025, January 2026 and March 2026 to approved the balanced budget as requested by National Treasury and DSAC.
N/a
Consumable costs decreased as a result of cost containment measures put in place to manage and reduce costs.
N/a
N/a
Additional assets were added to the insurance policy during the year and this contributed to the additional cost.
N/a
Marketing expenses were lower than budgeted due to a strategic shift in the Entity's marketing approach for the 2025-26 financial year. The focus was redirected toward cost-effective marketing channels. These channels include social media advertising and publicity through editorial coverage in newspapers and on radio. This approach allowed the Entity to maintain strong audience engagement while significantly reducing costs. The outcome demonstrates that effective marketing can be achieved through innovative, budget-conscious strategies without compromising reach or impact.
Services in kind as disclosed in note 29.
N/a
The budget was exceeded due to additional calls made to artists, service providers and patrons.
All training is on hold due to a lack of grant funding from DSAC to cover operational expenses of the entity
Cost savings were realised from making bookings in advance and following the National Treasury National Travel Guidelines
The budget was set low based on prior years spending. However with increased productions and outside hirers, water costs increased due to increased usage of ablution facilities
Non cash flow item not budgeted for annually.
Savings arose as a result of cost containment measures put in place to manage and reduce costs.
Interest was projected on a higher bank balance but that has reduced during the year as a result of accelerated spending plans in place. Thus, the interest earned on funds invested decreased as a result of a decrease in the funds invested with the respective banks.
Refer to note 18 in respect of surrender of workshop

Interest was projected on a higher bank balance but that has reduced during the year as a result of accelerated spending plans in place. Thus, the interest earned on funds invested decreased as a result of a decrease in the funds invested with the respective banks.

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

Fixed Asset Additions - Actual vs. Budget	Actual R	Original Budget R	2026 Amended Budget R	Variance R	Variance R	Explanation of significant variance
Office equipment	57 282	-	-	57 282	#div/0	These costs related to the commission of the servers bought in March 2025
Computer equipment	411 480	-	-	411 480	0%	N/a
Stage equipment	-	-	-	-	#div/0	
Buildings	1 787 306	-	2 403 282	(615 977)	-26%	' - Fire detection system : - The service provider has completed the installation in all 3 buildings. The consultant reviewed the work done and provided the findings to the service provider. The service provider has been given until end of April 2026 to complete all the snags identified by the consultant.
Total	**2 256 067**	**-**	**2 814 763**	**(558 695)**	**-20%**	

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

The Great Big Ernoumous Turnip

The Playhouse Company

an agency of the
Department of Sport, Arts & Culture

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