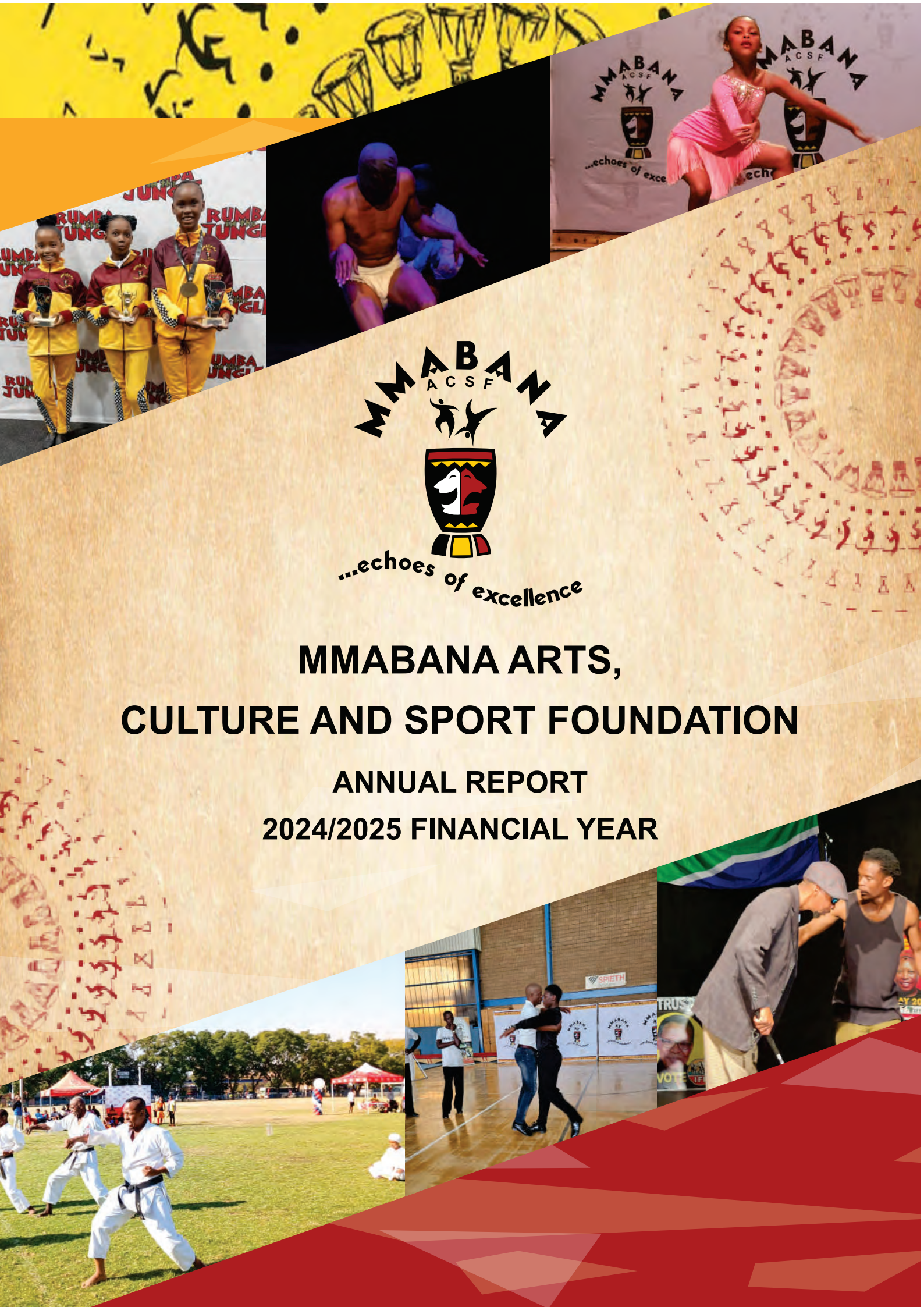




Annual Report

2024 / 25





**MMABANA ARTS,
CULTURE AND SPORT FOUNDATION**

ANNUAL REPORT

2024/2025 FINANCIAL YEAR

Contents

PART A: GENERAL INFORMATION	5
1. PUBLIC ENTITY'S GENERAL INFORMATION	6
2. LIST OF ABBREVIATIONS/ACRONYMS	7
3. FOREWORD BY THE ACCOUNTING AUTHORITY	8
4. CHIEF EXECUTIVE OFFICER'S OVERVIEW	9
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	11
6. STRATEGIC OVERVIEW	12
6.1. Vision	12
6.2. Mission	12
6.3. Values	12
7. LEGISLATIVE AND OTHER MANDATES.....	13
8. ORGANISATIONAL STRUCTURE	15
PART B: PERFORMANCE INFORMATION	16
1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES	17
2. OVERVIEW OF PERFORMANCE	17
2.1. Service Delivery Environment	17
2.2. Organisational environment.....	17
2.3. Key policy developments and legislative changes.....	18
2.4. Progress towards achievement of institutional Impacts and Outcomes	19
3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION	31
3.1. Programme 1: MANAGEMENT AND ADMINISTRATION	31
3.2. PROGRAMME 2: PERFORMING ARTS, VISUAL ARTS & CULTURE	36
3.2.1 Sub-Programme 1: Performing Arts.....	36
3.2.2 Sub-Programme 2: Visual Arts	38
3.2.3 Sub-Programme 3: Academic Services.....	39
3.3. Programme 3: Artistic Sport	41
3.4. SUMMARY OF ENTITY'S PERFORMANCE	43

4.	REVENUE COLLECTION	44
5.	CAPITAL INVESTMENT	44
PART C: GOVERNANCE		45
1.	INTRODUCTION	46
2.	PORTFOLIO COMMITTEES	46
3.	EXECUTIVE AUTHORITY	48
4.	THE ACCOUNTING AUTHORITY / BOARD	50
5.	RISK MANAGEMENT	54
7.	INTERNAL AUDIT AND AUDIT COMMITTEES	54
8.	COMPLIANCE WITH LAWS AND REGULATIONS	55
9.	FRAUD AND CORRUPTION	55
10.	MINIMISING CONFLICT OF INTEREST	56
11.	CODE OF CONDUCT	56
12.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	56
13.	COMPANY /BOARD SECRETARY	56
14.	SOCIAL RESPONSIBILITY	56
15.	AUDIT COMMITTEE REPORT	58
16.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION	59
PART D: HUMAN RESOURCE MANAGEMENT		60
1.	INTRODUCTION	61
2.	HUMAN RESOURCE OVERSIGHT STATISTICS	62
PART E: PFMA COMPLIANCE REPORT		66
1.	IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES	67
1.1.	Irregular expenditure	67
1.2.	Fruitless and wasteful expenditure	69
1.3.	Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))	70
2.	LATE AND/OR NON-PAYMENT OF SUPPLIERS	71
3.	SUPPLY CHAIN MANAGEMENT	72

3.1. Procurement by other means.....	72
3.2. Contract variations and expansions	72
PART F: FINANCIAL INFORMATION	73
1. REPORT OF THE EXTERNAL AUDITOR.....	74
Report of the auditor-general to the North West Provincial Legislature on Mmabana Arts, Culture and Sport Foundation	74
Qualified opinion	74
Basis for qualified opinion	74
Services in kind	74
Receivables from exchange transactions.....	74
Context for opinion.....	75
Emphasis of matters	75
Restatement of corresponding figures	75
Responsibilities of the accounting authority for the financial statements.....	75
Responsibilities of the auditor-general for the audit of the financial statements.....	75
Number of job opportunities created.....	78
Other matters	78
Achievement of planned targets	78
Revenue management.....	80
Consequence management	80
Annual financial statements, performance report and annual reports	80
Annexure to the auditor's report	82
Auditor-general's responsibility for the audit.....	82
Professional judgement and professional scepticism.....	82
Financial statements.....	82
Communication with those charged with governance	83
Compliance with legislation – selected legislative requirements	84
2. ANNUAL FINANCIAL STATEMENTS.....	86



Part A

GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Mmabana Arts, Culture and Sport Foundation
REGISTRATION NUMBER:	Mmabana Arts, Culture and Sport Foundation Act 7 of 2000, as amended.
PHYSICAL ADDRESS:	103 Sekame Road Mmabatho 2735
POSTAL ADDRESS:	Private Bag X 33 Mmabatho 2735
EMAIL ADDRESS:	ceo@mmabana.org.za
WEBSITE ADDRESS:	www.mmabana.org.za
EXTERNAL AUDITORS:	Auditor General 124 Kock Street Rustenburg 0300
BANKER:	Standard Bank North West Provincial Office 2 Edam Avenue Waterval avenue Waterfall East Rustenburg 0299
COMPANY SECRETARY:	Ms Kesolofetse Mbali (Interim)

2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AFS	Annual Financial Statements
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DPA	Director Performing Arts
HRM	Human Resources Management
IA	Internal Audit
ICT	Information Communication Technology
IMC	Integrated Marketing and Communication Strategy
IYM	In Year Monitoring
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MACSF	Mmabana Arts, Culture and Sport Foundation
MEC	Member of Executive Council
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
OHS	Occupational Health and Safety
PFMA	Public Finance Management Act, Act 1 of 1999
PMDS	Performance Management and Development System
RD	Regional Director
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SP	Strategic Plan
TR	Treasury Regulations

3. FOREWORD BY THE ACCOUNTING AUTHORITY



I am honoured to present the Mmabana Arts, Culture and Sport Foundation (MACSF) Annual Report for 2024/25.

This year has been challenging however, our programmes have provided invaluable opportunities, as the entity continued to play a critical role in the preservation, promotion, and development of arts, culture, sport, and creative industries in the North West Province. Our work is anchored in the 2025–2030 Turnaround Strategy, which seeks to revitalise the entity, modernise our programme offerings, strengthen governance, and deepen our impact within the communities we serve.

The MACSF strategy continues to focus on building a resilient, competitive, and sustainable entity that responds effectively to the dynamic demands of the creative sector. This includes increasing access to platforms for artists and athletes, developing accredited programmes to boost youth skills and employment, and expanding our partnerships to foster growth in the creative sector. In the past year, we have strengthened our relationships with the Department of Arts, Culture, Sports and Recreation (ACSR), municipalities, schools, cultural bodies, and private sector partners. These partnerships remain instrumental to our service delivery and are key to unlocking new opportunities for growth and development. Over the reporting period, the entity made significant strides in aligning programmes with the North West provincial priorities, although performance in some areas was hampered by structural and operational challenges.

However, the Board has also had to confront a number of serious challenges. The qualified audit opinion received for the 2024/25 financial year underscores the need for improved internal controls, compliance with accounting standards, and stronger financial management systems. These realities necessitated urgent strategic reflection and implementation of a comprehensive Turnaround Strategy.

I extend my sincere appreciation to our staff, management, learners and participants, the MEC, HOD and management of the Department of ACSR, our stakeholders, and the communities we serve for their continued support. While the road ahead is challenging, I am confident that with shared commitment and discipline, we can transform Mmabana Arts, Culture and Sport Foundation into the cultural heartbeat of the North West Province.

MACSF is on the path to reimagine itself as a truly responsive, sustainable, and vibrant institution.



Mr Hendrick Metsileng
Accounting Authority
Mmabana Arts, Culture and Sport Foundation
31 July 2025

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Mmabana Arts, Culture and Sport Foundation (MACSF) continued to operate under financial strain during the year under review. Budget allocations were misaligned with the entity's growing mandate, while revenue-generation remained low due to outdated models and limited programming. The entity's spending primarily supported personnel costs and limited programme delivery. Capital investments were deferred due to budget shortfalls, and procurement was focused on core operational needs.

The operations of the entity are predominately funded by grants from the Department of Arts, Culture, Sports and Recreation. For the year under review, the entity was allocated an amount of R123,546 million of which R3,996 million was allocated from the National Department of Sports, Arts and Culture.

The entity also raised R2,794 million through learner fees, ticket sales, interest and rentals against a target of R2,459 million.

The National Department of Sports, Arts and Culture has allocated an amount of R13, 342 million over a period of 3 years for the refurbishment of the Mmabana Head Office which houses a theatre and performing arts studios. R3,996 million of this allocation was received during the 2024/25 adjustment budget process, with the remainder to be received during the 2025/26 and 2026/27 financial years.

The Independent Development Trust (IDT) was appointed as an implementing agent for the project; however, no funds had been spent as at the end of the financial year and the entity has therefore applied for a roll-over of the R3,996 million.

Mmabana has made significant strides in developing a supply chain management system that can detect and prevent irregular expenditure. For the 2024/25 financial year, the entity did not incur any irregular expenditure. The entity did not approve any unsolicited bid proposals during the year under review.

Several underperforming or unsustainable programmes have been placed under review pending realignment with the new Turnaround Strategy and crafting of the Service delivery model for the new direction that the entity is taking. The new direction includes the launch of a revitalised programme model across all centers, stakeholder engagement activations, talent development platforms, and repositioning Mmabana as a provincial cultural hub through strategic campaigns such as "Mmabana Reimagined."

As an entity working in service of a niche community, we acknowledge the capacity constraints and challenges that affect the delivery of our core programmes. Nevertheless, we remain committed to overcoming these hurdles by continually working on outreach programmes and programme implementation at our regional centers. We are dedicated to ensuring that the impact of our initiatives reaches every corner of the community we serve.

To address financial challenges, we are working on clear and compelling programme presentations that demonstrate the economic viability of our initiatives. We plan to engage stakeholders in government departments and private businesses, seeking their support to amplify the impact of our work.

Looking ahead, MACSF will stabilise its financial position through improved governance, revised programming, and planned stakeholder outreach programme. The goal is to create a lean, agile, and high-impact entity that drives inclusive growth in the creative sector.

The entity is in the process of developing its Post Audit Action Plan (PAAP) to address issues raised by the Audit-General of South Africa. Implementation of this plan will be closely monitored throughout the year in preparation for the next audit cycle.

The entity does not have any significant events after reporting date to report.

I extend my heartfelt appreciation to the staff of MACSF, the Department ACSR, and all our stakeholders who continue to believe in the power of arts, culture, and sport to shape society.

Together, we will remain steadfast in our commitment to uplifting the lives of our community through arts, culture, and sport. Your continued support and belief in our mission are invaluable as we shape a brighter and more vibrant future for all.

Let's work together, let's get MACSF right



Mr Hendrick Metsileng
Chief Executive Officer
Mmabana Arts, Culture and Sport Foundation
31 July 2025

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

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

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

The Annual Financial Statements (Part 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 financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully



Chief Executive Officer/Accounting Authority
Mr Hendrick Metsileng
Date: 31 July 2025

6. STRATEGIC OVERVIEW

6.1. Vision

To provide effective acceleration of the development and sustenance of the Arts, Culture and Artistic disciplines amongst citizens of the North West Province.

6.2. Mission

Mmabana Foundation dedicates itself to the development, fostering enhancement and promotion of total spectrum of Performing Arts, Visual Arts, Artistic Sport and supporting skills, expertise technology and excellence in the North West Province.

6.3. Values

Core Values	Definition
Accountability	A situation in which the workforce is responsible for the operations of the organization and can give a satisfactory reason for actions taken
Accessibility	Systems that foster a working relationship between stakeholders and the programmes offered by the organization
Responsibility	Leadership must reflect good judgment and the ability to act correctly and make decisions that uphold the institution's mandate.
Integrity	The organization's high artistic standards of conducting operations with a determination not to lower those standards
Transparency	A condition in which the organization and financial activities are done in an open way without secrets so that people can trust that they are fair and honest
Ensure Growth	Encourage learning and evolve personal development, professionally, as a team and as an organization.

7. LEGISLATIVE AND OTHER MANDATES

Mmabana Arts, Culture and Sport Foundation is a Schedule 3C Public Entity, recognized in terms of the Public Finance Management Act (PFMA) No.1 of 1999 (as amended). It is funded through a combination of sources, including a provincial government grant, independent funding institutions and project specific funds from donor communities.

The entity was established by merging the Mmabana Cultural Foundation (established by Act 15 of 1987) and the North West Arts Council (established by Act 37 of 1988) for purposes of developing the artistic and sporting talents of the people of the Province; to assist in the development fostering and promotion of culture through development of individuals and groups of people interested in the arts, cultural and sporting activities; to provide for the management and control of the Mmabana Arts, Culture and Sport Foundation through the establishment of the Board of Directors; to define the composition powers, functions and duties of the Board, to regulate financial affairs of the entity; and to provide for incidental matters

Legislative and policy mandates

In terms of the Mmabana Arts, Culture, and Sport Foundation Act 07 of 2000 as amended.

Mmabana is a Schedule 3C Public Entity, recognized in terms of the Public Finance Management Act (PFMA) No.1 of 1999 (as amended). It is funded through a combination of sources, including a provincial government grant, independent funding institutions and project specific funds from donor communities.

Overarching legislation:

- Constitution of the Republic of South Africa, 1996
- Promotion of Access to Information Act, 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 2000
- Protection of Personal Information Act, 2013
- Promotion of Administrative Justice Act, 2000
- Public Finance Management Act, 1999
- Labour Relations Act, 1995
- Employment Equity Act, 1998
- Basic Conditions of Employment Act, 1997
- Preferential Procurement Policy Framework Act, 2000
- Copy Right Act, 1993
- Occupational Health & Safety Act, 1993
- Compensation for Occupational Injuries & Diseases Act, 1993
- North West Public Sector Risk Management Framework, approved by EXCO in 2014.
- Public Finance Management Act (PFMA), 1999;

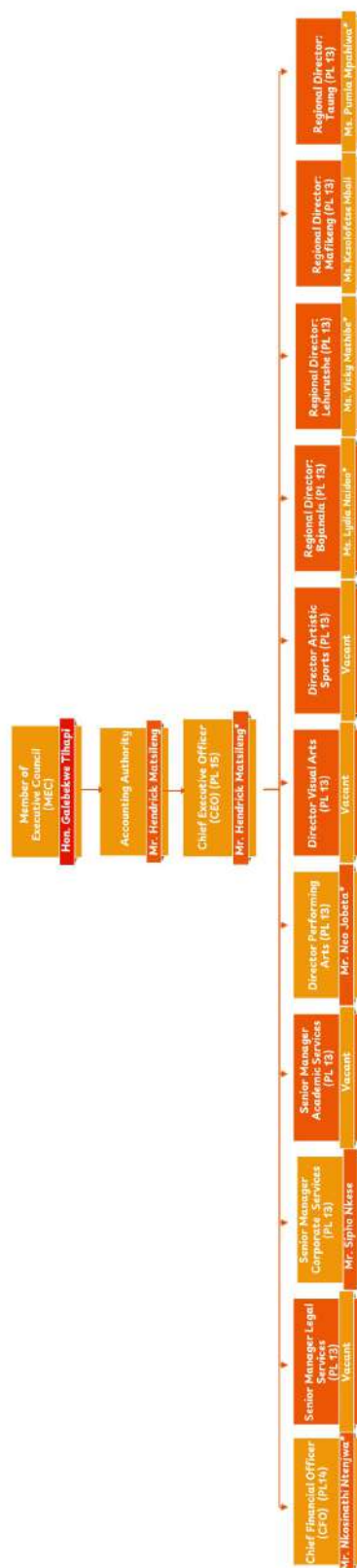
National legislation from which the Entity derives its mandate.

- Cultural Institution Act, 1998
- Cultural Promotion Act, 1983
- National Arts Council Act, 1997
- National Film and Video Foundation Act, 1997
- National Sport and Recreation Act, 1998
- Legal Deposit Act, 1997
- National Sport and Recreation Act, 1998
- Safety at Sport and Recreation Events Act, 2010
- South African Institute of Drug-Free Sport Act 1997
- Recognition of Sport and Recreation Bodies Regulation, 2010

Institutional Policies and Strategies related to the 5 year planning period.

- National Development Plan, Vision 2030
- National Medium-Term Strategic Framework, 2019-2024
- Guideline for Corporate Governance of ICT Policy Framework, 2012
- Revised Framework for Strategic Plans and Annual Performance Plans, 2019
- North West Provincial Development Plan, 2013
- Framework for Managing Programme Performance Information, 2007
- Revised White Paper on Arts, Culture and Heritage, 2017
- National white paper on Sport and Recreation, 2017
- National Records Management policy manual, 2007
- Reviewed National Sport and Recreation Plan, 2017

8. ORGANISATIONAL STRUCTURE



PL	Post Level
*	Acting



Part B

PERFORMANCE INFORMATION

1. 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 page **74** of the Report of the Auditors, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

The entity executes its mandate, and seeks to achieve its vision and mission, in a complex environment, impacted by global, national, provincial events and budget constraints, which directly affect the pursuit of its desired impact and in delivering on its mandate.

The entity implemented its strategic plan and annual performance plan by establishing strategic relationships with key stakeholders, maintaining professional relationships with recognized federations with the primary objective of resource sharing during the implementation of programmes, promoting and sustaining the three disciplines that the entity caters for, being Performing and Visual arts and Artistic Sports in line with the District Development Model.

Mmabana will continue to support alternative programmes/competitions that resuscitate the creative sector and sport athletes. The exceptional performance of our athletes in various competitions sparked interest for the community and increased the request for financial support from external clubs. The entity hosted events and programmes that were inclusive to its participants and reached the rural and urban communities to satisfy the creative instinct. The funding programme as well as the support of artists has created opportunities for practitioners to produce productions that have created work opportunities and stimulated the economy where such projects were implemented. The bursary funding has enabled learners to pursue their studies in creative arts in various accredited institutions of learning.

2.2. Organisational environment

Report on Organisational Environment: Financial Year 2024/2025

Introduction

This report provides an overview of the organisational environment during the financial year 2024 and 2025, highlighting key events and changes that impacted the organisation.

Leadership Changes

1. On the 20th April 2023, Mr Wessels Morweng was seconded from the Department of Arts, Culture, Sport and Recreation to Mmabana Arts, Culture and Sport Foundation as the Acting CEO. However, he resigned 12 June 2024 to take up a position as a Member of Provincial Legislature.

2. Immediately after his departure, Mr. Thabo Mabe was seconded from the Department of Arts, Culture, Sport and Recreation and Departure as the Acting CEO from June 2024 to February 2025, resulting in a significant leadership change.

3. As of March 2025, Mr. Metsileng is leading the organisation as the Acting CEO, following his secondment from the Department of Health to the Department of Arts, Culture, Sport and Recreation ensuring continuity and stability.

Board of Directors

1. From 13th November 2023, Mr Wessels Morweng was also designated as the Accounting Authority in terms of section 49 (2) of the PFMA until he resigned.

2. Seven members of the board were then appointed from 1 June 2024; the board was dissolved on 19 June 2025.

3. Following the dissolution of the board, to ensure stability and continuity, Mr Hendrick Metsileng was designated as the Accounting Authority in terms of section 49 (2) of the PFMA with effect from 20th June 2025.

Other Significant Events

1. The former substantive Chief Finance Officer (CFO), resigned with effect from April 2024, further impacting the organisation's leadership stability. Following his resignation, Mr Nkosinathi Ntenjwa was appointed as the Acting Chief Finance Officer with effect from 01 May 2024.

2. Sadly, the former substantive Senior Manager: Legal and Board Secretariat, Mr. Christopher Seome passed away 02 July 2024. In order to provide the necessary support to the Board/Accounting Authority, Ms Kesolofetse Mbal, substantively appointed as the Regional Director of Mmabana Mahikeng was appointed as the Interim Board Secretary with effect from 13 November 2024.

Impact on Organisation

The frequent leadership changes and loss of key personnel have impacted the organisation's ability to maintain continuity and stability, potentially influencing employee morale and productivity (overall performance).

These leadership transitions presented both operational and governance challenges for the entity, contributing to instability in decision making, delayed execution of strategic programmes, and uncertainty among staff. The frequent changes in leadership also affected organisational continuity, morale, and the pace at which turnaround initiatives could be implemented. However, the resilience of management and staff ensured that core service delivery obligations continued, albeit under constrained conditions.

The continued unavailability of the entity's head office since 2018 has had a negative impact on the entity in terms of service delivery.

Future Outlook

1. The organisation will appoint a substantive CEO and a CFO to ensure leadership stability and continuity.
2. The entity has prioritised and advertised key management positions.
3. The entity has since received grant funding from the National DSAC and has since appointed the Independent Development Trust (IDT) as the entity's head office building refurbishment implementation agent
4. The organisation has reassessed its strategic direction and developed a turnaround plan.

Conclusion

The organisational environment during the financial year 2024/2025 was marked by significant leadership changes, including the appointments and departures of key personnel. Despite these challenges, the organisation continues to operate under the leadership of Mr. Metsileng as ACEO. The appointment of Mr. Metsileng as ACEO provides stability, and the organisation will continue to move forward with its strategic objectives.

The entity will continue to review its programmes in line with the strategic objectives, goals as well the turn-around strategy. This may provide opportunities to change the organisational structure in order for the entity to be better placed to deliver on its mandate.

2.3. Key policy developments and legislative changes

There are no major changes to the entity's policies or legislation that may have affected its operations during the period under review or future financial periods.

2.4. Progress towards achievement of institutional Impacts and Outcomes

Mmabana made significant impact in the lives of the creatives and the community in the province in the past five years. This is despite the many challenges that it had to deal with.

Governance

- The entity conducted a diagnostic analysis and developed a Turn-around strategy with clear deliverables and timelines. Through the following interventions from the turnaround strategy, the entity moved from a Disclaimer audit opinion in 2019 to an Unqualified audit opinion as early as 2021/22 in the financials.
 - The Entity fully implemented ninety- one (91%) percent strategy components and partially implemented (In progress) is at nine (09%) percent.
 - Financial Delegations developed and implemented
 - Human Resource delegations developed and implemented
 - Standard operating procedures developed and implemented
- The unqualified audit opinion was sustained for three consecutive financial years. The entity also sustained and unqualified audit opinion on performance information from 2020/201 to 2023/24.
- The good progress in audit regressed in the 2024/25 for both financials and performance information.

Stimulating the sector

- The entity entered into partnership with Sun City resort which afforded the entity free venues to stimulate the creative sector. Through this partnership, external audiences were created on the entity's social media platforms and TV channels such as:
 - Gospel show
 - Motswako (the right to perform show), which was on TV
 - Traditional Dance show at the boma
 - Mass aerobics at the two hotels
 - Self-defense classes at the kiddy's section
 - Fashion show
 - Battle of the Dj's
- The Entity applied and was granted R1 000,000.00 funding for the Presidential Employment Stimulus Programme (PESP) for Public Art & Public Performance projects with the DSAC. The implementation of the projects focused on two areas i.e. Visual Arts and Performing Arts.
- A total number of 83 artists throughout the NW Province benefited from the projects, through job creation and platforms were created for artist to display their capability in line with their artforms i.e., Mural Painting, Drama and Music performances.

The entity has three funding streams which it uses to support artists, to create platforms for artists and job creation. The following are the funding streams:

National Arts Festival in Makhanda

The National Arts Festival is a creative arts festival held annually in Makhanda. The festival offers various opportunities for performances and exhibitions. The entity supported the artists in participating at the National Arts Festival held in Makhanda (Grahamstown). Creating employment opportunities and international stage exposure for arts practitioners. A case in point is Asinamali, an all women production which won the festival Ovation Awards in 2022 was one of the productions that was given the opportunity to perform in Chicago (USA) in 2023.

In 2023 and 2024 four (04) productions from the province were awarded the National Arts Festival Ovation Awards. Some of the productions were invited to perform in theatres such as the Pretoria State Theatre and the Provincial Arts Council of the Free State (PACOFs), creating sustainable job opportunities for the creatives and supporting personnel such as sound and lighting technicians, including stage managers.

Thirty-two (32) productions were supported and afforded the opportunity to participate at the festival. This support created three hundred and seventy-five (375) job opportunities and one hundred (100) platforms - virtual and physical productions.

Activity Conducted	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Number of productions funded	-	-	-	15	17	32
Number of job opportunities created	-	-	-	180	195	375
Ovation awards	-	-	-	2	2	4
Platforms created	-	-	-	46	54	100



Taung Cultural Calabash (TCC)

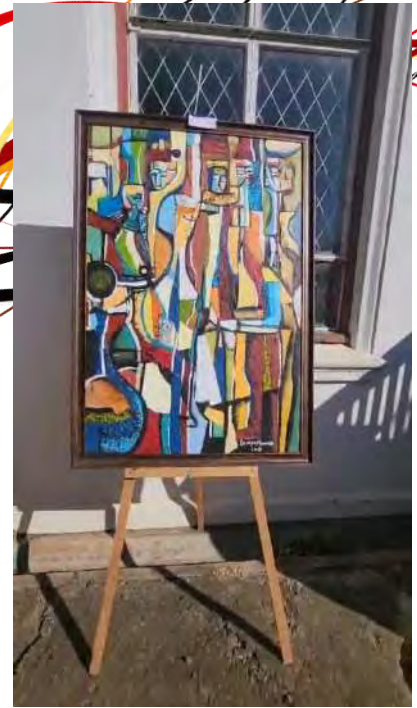
Taung Cultural Calabash is a developmental festival hosted as flagship in the Dr. Ruth Segomotsi Mompati district. The festival has had its share of dipping and losing its popularity especially after the Covid 19 pandemic. The festival has contributed economically to local business in Taung, especially in the hospitality sector. Majority of Artists both performing and visual from Taung benefited from the implementation of the festival.

Hosted in the month of Heritage for three (3) days, the Cultural Calabash remains the apex programme for the provincial heritage celebrations. It is run in partnership with the Greater Taung Local Municipality. The festival has two (2) phases, being the districts auditions and the provincial competition, and the main festival. The auditions take place earlier in the year identifying artists across the province and later participating in the main competition hosted during the main festival in September.

The district winners who acquired 1st position were invited to participate in developmental workshops which were aimed at further preparing and capacitating them for the provincial competition. This added to the success factor of the event in that, the TCC achieved its objective to provide the much-needed development for upcoming artists.

The festival was able to create one hundred and eighty-four (184) jobs, which benefited nine hundred and seventy-eight artist/ groups. There were one hundred and thirty-five (135) winners, and five hundred and thirty-two (532) districts winners in the five year period.

Activity	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Jobs created supporting adjudicators/judges	0	51	52	55	47	184
Participants in the District Auditions	0	616	903	814	507	2840
Artists/groups supported	0	285	237	284	172	978
District winners	0	0	205	152	175	532
Provincial winners	0	31	43	51	0	125



The Ultimate Talent Search- District Auditions and Finale

The Ultimate Talent Search was founded in 2022 as a solo music competition hosted across the North West province. It is one of the Mmabana flagship projects hosted in the Dr. Kenneth Kaunda District. The Talent Search was implemented in four (4) phases namely: the districts auditions, workshops, showcase and grand finale. The auditions were successfully held in all four (4) districts, where top three (3) musicians in all districts were selected to compete at the finale. During the 2024 grand finale twelve (12) districts winners attended the workshops to prepare them for the industry. The workshops ranged from: intellectual property, entertainment law, maintaining the brand, and stage performance. The finalist worked with the music director to fine tune their songs for the finale. The Ultimate Talent Search is hosted in line with the entity's mandate of promoting talent whilst creating job opportunities for artists. Over the two seasons, Mmabana had a total of four hundred and thirty (430) participants at the districts auditions. All twenty-four (24) district winners (twelve per year) artists participated at the finale hosted in 2022 and 2024. There were six (6) finale winner obtaining positions 1, 2 and 3 respectively. Mmabana was able to create thirty-two (32) jobs opportunities.

For 2022 districts auditions winners, twelve winners (top 3 per district) and provincial top three (3) winners were given cash prizes. In 2024 only grand finale were awarded prizes, position 1 winner received a cash prize and a recording deal, position 2 and 3 winners received recording deals only.

The competition created job opportunities for judges, musicians as backing band, technical services (sound, lighting), film and photography. Hosting the competition in Klerksdorp created economic benefit for the hospitality, catering and transport.

Activity	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Participants in District Auditions	0	0	283	135	0	430
Competition finale	0	0	12	0	12	24
Competition winners	0	0	3	0	3	6
Job opportunities created	0	0	0	9	23	32



Part C

GOVERNANCE

North West Artist Funding

The North West Artist Funding function was transferred to Mmabana in 2019 post the repeal of the NW Provincial Arts and Culture Council Act no. 8 of 2000.

The Funds are allocated to Mmabana as a grant to support artists in producing their works, both in performing and visual arts. Funding of these projects have had a positive impact in creative sector.

Since the financial year 2020/21 Mmabana has funded one hundred and forty-three (143) projects to the tune of twenty-three million, seven hundred and seventy-six thousand and seventy rand (R23 776 070.00). Through this funding eight hundred and ninety-five (895) jobs were created. In the last five years we were able to create one hundred and fifty-nine (159) platforms for our artists to showcase their talents.

Projects Funding

Activity	2020/21	2021/22	2022/23	2023/24	2024/25	Total
No of projects funded	20	21	51	28	23	143
Amount Awarded	R6,408,790	R2,117,280	R6,347,000	R4,886,000	R4,017,000	R23,776,070
Platforms created	20	21	74	21	23	159
Jobs created	20	21	611	220	23	895

Bursary funding

During the past five years the entity funded thirteen (13) bursary recipients from 2021 to 2024, ten (10) of which completed their studies. The funded programmes were for undergraduate studies in the Arts Faculty. These are learners that had met the bursary funding application process and requirements. The bursaries were awarded to the North West Province applicants studying in institutions of higher learning across the country. They were funded until they completed their studies.

List of funded recipients

NO	BURSARY RECIPIENTS	DISTRICT	COURSE	INSTITUTION
1	Shaydine Bosman	DRKK	BA Television Writer	AFDA
2	Kearabilwe Gaboutlwele	NMM	Performing Arts Certificate	AFDA
3	Gomolemo Junifer	NMM	BA Visual Multimedia	UNISA
4	Mpho Mbele	NMM	Higher Certificate in Creative Development	VEGA
5	Ogone Teledimo	NMM	Diploma in Digital Animation	Animation School
6	Kenanao Poloko Makaota	NMM	BA Live Performance	AFDA
7	Kealeboga Kale	NMM	BA Motion Picture Medium and Live Performance	AFDA
8	Khumo Legoase	NMM	Diploma in Music	COPA
9	Dikhumo Oarabilwe Ntsimane	BOJ	BA in Live Performance	AFDA
10	Tshepang Tshabadira	DR KK	BA in Live Performance	TUT
11	Taelo Seloro	NMM	Fashion Design	Free State Fashion Hub
12	Tebogo Mokhuane	DR KK	Acting for camera	City Varsity
13	Papiso Kegakilwe	DR RSM	BA Live Performance	AFDA

Amount spent annually

Activity	2021/2022	2022/2023	2023/2024	2024/2024
Bursaries awarded	R 528 608,00	R 378 850,00	R 665 787,50	R 448 195,00

The total amount spent on bursary funding = R 2 021 440,50

Participation in Provincial, National and International competitions

Performing Arts Competitions

Mmabana did not participate in competitions in 2020 as competitions world-wide were held virtually. The entity was not prepared technologically to organise participation of learners virtually. In 2021 when the Covid 19 regulations were relaxed, the entity started participating in competitions. Once physical competitions were opened Mmabana was able to participate in twelve (12) competitions which were hosted nationally and internationally. From 2020/21 to 2024/25 three hundred and seventy-eight (378) artists participated in different competitions where a total of five hundred and forty-eight (548) medals were won (Two hundred and seventy (270) gold medals, one hundred and sixty-five (165) silver medals, and one hundred and thirteen (113) bronze medals). Participating in these competitions has given our dancers opportunities to grow, and some have qualified to being judges of the same competitions.

Number of competitions	Competed athletes	Total Medals	Gold	Silver	Bronze
12	378	548	270	165	113



Artistic Sport

- Two Tumbling athletes qualified to represent South Africa at the 28th FIG Trampoline Gymnastics World Age Group World Cup Competition – Baku 2021. Vuyisile George obtained 8th position in the world, and Michael Masangane Jnr obtained 26th position in Baku – Azerbaijan 26 to 29 November 2021.
- Michael Masangane Jnr further qualified and participated in the African Region 5 Tumbling and Trampoline games in Lesotho, from the 30th of November to 02 December 2021 and he obtained a gold medal.
- The Mahikeng Centre successfully hosted the North West SA JKA Karate Championship held on the 18 and 19 March 2022, to select the North West team that represented the province at the National Championships.
- A total number of 337 Karateka's participated in the National Championship and 212 qualified for the National Championships.
- Three (3) Body Builders participated in the North West IFBB Bodybuilding Championship at Brits on the 05th August 2022 and received 3 medals 2 gold and 1 silver.
- Sixty-four (64) Tumblers participated in the North West Tumbling Trials Competition held on the 27 August 2022, forty (40) athletes qualified for the National Championship.
- One (1) Body Builder participated in the South African IFBB Bodybuilding Championship at Randburg on the 02nd to 04th September 2022
- Six (6) athletes qualified and participated at the 28th FIG World Age Group Games (Trampoline and Tumbling) in Bulgaria in November 2022.
- Four (4) Athletes represented the Country at an African Championship (Tumbling) and brought the Team Gold. Michael Masangana, who hails the North West Province brought a gold medal from his age group competition. in November 2022.

Number of competitions	Competed athletes	Total Medals	Gold	Silver	Bronze
47	1260	795	359	206	230



Partnership with Schools, Clinics and Community

The entity embarked on outreach programme in all districts to coordinate activities in the schools, clinics, and old age homes (the vulnerable) in imparting knowledge and skills.

The outreach programmes are done to ensure that the entity's offerings are showcased to the community for maximum participation, mostly in rural areas, as part of expanding access to the entity programmes offerings.

All programmes are centred around developing the learners/artists through practical training. Community based practitioners were also utilized to offer these outreach programmes to foster collaboration and social cohesion. This created much more needed opportunities for the practitioners given the current economic outlook of the country and province. The entity was able to improve access to services, and hence it was able to over-achieve in most of set targets in various performance indicators.

Programme	Services rendered	No. of Learners/ Participants
Performing Arts	Leadership skills, drama production on gender based violence awareness and about careers using drama skills, dance skills. public performances addressing social ills	12 623
Visual Arts	Drawing competition, visual arts & craft lessons, techniques in silk screen printing, pottery, drawing and painting	5 573
Artistic Sports	Karate self-defence techniques. rope skipping techniques. aerobic -fitness training	34 711
TOTAL		52 907



Outcome	Outcome Indicator	Baseline	Five- year target	Achievements
Good Governance	Compliance with applicable legislations and policies	Disclaimer	Clean Audit Outcome	- The entity has made significant progress towards obtaining a clean audit outcome. - The following are the audit outcomes registered over the MTSF period: • 2020/21 – Improvement from Disclaimer to Qualified opinion. • 2021/22 – Improvement from Qualified to Unqualified opinion • 2022/23 – Maintained Unqualified opinion • 2023/24 – Maintained Unqualified opinion • 2024/25 – Qualified opinion
	Efficient administrative support	None	Integrated and well-functioning organisation	- The entity conducted a diagnostic analysis, developed a new 5-year strategic Plan, Turn-around strategy, as well as an implementation with clear deliverables and timelines. - Implementation of Performance Management System continues throughout the entity. - Financial Delegations developed and implemented. - Human Resource delegations developed and implemented. - Implementation of SCM checklists have commenced. - Policies are being reviewed, and where needed, new policies are developed. - Standard operating procedures are being developed and implemented. Another turnaround strategy was developed in March 2025 aligned with the coming five years to improve on the performance of the entity

Performance percentage for strategic period

ITEM	2020/21	2021/22	2022/23	2023/24	2024/2025
No of indicators planned	17	20	25	26	24
Indicators achieved	9	17	24	20	11
% Indicators achieved	53%	85% 	92% 	77% 	46% 

Audit Outcomes

ITEM	2020/21	2021/22	2022/23	2023/24	2024/25
Annual Financial Statements	Qualified	Unqualified with findings	Unqualified with findings	Unqualified with a finding	Qualified with material non compliance
Annual Performance Report	Unqualified	Unqualified	Unqualified	Unqualified	Qualified with material non compliance

Outcome	Outcome Indicator	Baseline	Five- year target	Achievement
Competent Artists ready for the Arts and Culture industry	A socially cohesive society that contributes within the arts and culture sector	1 140	38 481	30 473

Outcome	Outcome Indicator	Baseline	Five- year target	Achievement
Trained athletes collectively contributing towards advancement of Sport in the North West Province	Athletes that participate in health and fitness programmes and competitions which promote social cohesion	New	285 486	49 324

AMENDMENTS TO THE STRATEGIC PLAN

The Strategic Plan that was tabled 03 August 2020, had to be amended due to the outbreak of covid-19. The areas that were amended include: Situation analysis, Targets, and the Technical Indicator Descriptions. For the period under review, it was reviewed, and no changes were made.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. Programme 1: MANAGEMENT AND ADMINISTRATION

Purpose: Provide strategy and leadership for the performance of all other Programmes and Sub-Programmes, systems and projects while ensuring compliance throughout the entity.

Marketing and Communication

Purpose: To drive up the value of the entity brand over time through marketing and provides a timeous clear and effective information relating the entity to all stakeholders to build and maintain relations.

Human Resource Management

Purpose: The purpose of this programme is to provide the entity's entire operations with the required safe and secure workplaces, the human resources which are well qualified (on time and at the right place), while also ensuring that the critical OHS and Security measures are always observed by all.

Finance, Compliance and Reporting

Purpose: Maintain effective and efficient financial management including supply chain processes through adhering to the Public Finance Management Act, the Treasury Regulations and internal policies and controls.

Internal Audit

Purpose: Assist the Accounting Authority and management in adding value to the systems of internal control providing assurance on entity's control environment

Outcome

Good Governance

Outcomes, Outputs Output indicators Targets and Actual Achievement

Programme 1: Management and Administration								
Outcome	Output	Output Indicators	Audited Actual Achievement 2022/2023	Audited Actual Achievement 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for deviations
Good Governance	Development of Effective and Efficient Business Processes and Systems	1.1. Percentage of Permanent Employees Assessed	100%	100%	100%	100%	0%	N/A
		1.2. Number of job opportunities created	1151	1203	555	521	(34)	See below
	Audited Annual Financial Statements	1.3 Number of interim Financial Statements approved	3	3	3	3	0	N/A
		1.4 Percentage of post audit action plan implemented	New	100%	100%	64%	(36%)	See below
	Efficient and effective budget utilisation	1.5 Percentage of the procurement plan implemented	New	9%	100%	0%	100%	See below
		1.6 Percentage of annual budget spent	New	97%	97%	95%	(2%)	See below
	Revenue enhancement	1.7 Number of learners enrolled through Performing Arts developmental programmes	718	228	550	269	(281)	See below
		1.8 Number of learners enrolled through Visual Arts developmental programmes	211	114	220	87	(133)	See below
		1.9 Number of participants enrolled through fitness programmes	New	New	429	727	298	See below
		1.10 Number of athletes enrolled through Artistic Sport developmental programmes	New	New	300	249	(51)	See below

Reasons for deviations

No.	Indicator	Reasons for deviations
1.2	Number of job opportunities Created	Reasons for under achievement in temporary jobs created: 1. Failing to implement the TCC Main Competition which had potential to generate 20 jobs for judges, technical and videography 2. Main Festival 2.1 Music Festival - 45 jobs 2.2 Theatre Productions- 20 jobs 2.3 Kgotla event- 10 Traditional Dance jobs 2.4 Fashion Show - 32 jobs for designers, models, choreographers and makeup artists. 2.5 Art Exhibitions - 13 jobs for Artists and Curators Total potential job losses- 129 excluding the contracted Service Provider, Security Team etc.
1.4	Percentage of post audit action plan implemented	The review of the policies is one of the aspects that have affected implementation of PAAP. • The Policy Development Coordination Committee (PDCC) was established. Induction on policy framework was conducted by the Premier's Office. • Several policies has been submitted to the committee for review. Extensive consultative process will unfold in the next financial year. • The delays in appointments of staff such as Revenue Manager also contributed. This activity will be prioritised in the new financial year
1.5	Percentage of the procurement plan implemented	• Attempts to advertise bids did not yield intended results throughout the year. • The bids received were either not responsive or it took too long to finalise the bids thereby leading to an expired validity period.
1.6	Percentage of annual budget spent	• The budget for refurbishment of head office was initially allocated to the Community Arts Centre programme. The efforts to have it allocated to Mmabana was started in June 2024 leading to the signing of the MOU in November 2024. • The allocated budget for refurbishment of head office was only received in Mmabana books in the fourth quarter of the 2024/25 financial year. Department of Public Works and Roads was appointed as an implementing agent but there were delays from their side to show any progress. • IDT was then appointed in February 2025. IDT was since appointed the Professional Service Provider (PSP). Project's phase one and phase two are expected to be implemented this financial year. Mmabana has applied for a roll-over of the unspent funds.
1.7	Number of learners enrolled through Performing Arts developmental programmes	• Reduced demand for programme offerings. • Infrastructure and basic services problems such as no electricity and frequent water cuts in the area at Rustenburg. • Registration for learners was delayed in the Taung centres due to the state of the building
1.8	Number of learners enrolled through Visual Arts developmental programmes	• Reduced demand for programme offerings. • Infrastructure and basic services problems such as no electricity and frequent water cuts in the area at Rustenburg.

No.	Indicator	Reasons for deviations
		Registration for learners was delayed in the Taung centres due to the state of the building
1.9	Number of participants enrolled through fitness programmes	- The Mahikeng Gym Opening on the 16th May 2024 resulted in positive response from the health and fitness patrons. - We experienced a large number of participants that necessitated the appointment of an extra Sports Trainer to service our participants
1.10	Number of athletes enrolled through Artistic Sport developmental programmes	- Reduced demand for programme offerings. - The damaged gym roof at Taung impacted on the enrolment of participants in the fitness programme to provide Aerobics and Circuit training courses thus resulting in under achievement of the target. - Competition from other service providers with the same offerings and the latest equipment.

Overall Programme performance

Programme	Programme name	Total No. of Output Indicator	Achieved	
			No. of Output Indicator	% of Output Indicator
1.	Management and Administration	10	3	30%

Strategy to overcome areas of under performance.

Indicator No.	Areas of under performance	Strategy to overcome areas of under performance
1.2	Number of job opportunities Created	- The entity will increase its job creation numbers through the contracts of funded artists groups in the NWAF Programme. - Infrastructure Projects (Head Office refurbishment and MACSF Taung roof repairs) will also contribute through the people employed during these projects.
1.4	Percentage of post audit action plan implemented	- A new policy development coordination committee has been appointed. - Recruitment processes for filling critical vacant posts to resume in Q1 of the 2025/26 financial year.
1.5	Percentage of the plan implemented	- Tenders to be readvertised. - Closing dates of tenders to be staggered.
1.6	Percentage of annual budget spent	- The Independent Development Trust (IDT) has been appointed as an Implementing Agent for the Head Office refurbishment. - Speed up the process of appointing a contractor
1.7	Number of learners enrolled through Performing Arts developmental programmes	- Hold open days activations across all the centers. - Modernise product offerings (medium to long term) - Solar was installed at the Mmabana Rustenburg Centre. - Look for alternative conducive space for Mmabana Rustenburg. - Public Works has confirmed that funds have been allocated for fix the roof at Mmabana Taung
1.8	Number of learners enrolled through Visual Arts developmental programmes	- Hold open days activations across all the centers - Modernise product offerings (medium to long term) - Solar was installed at the Mmabana Rustenburg Centre. - Look for alternative conducive space for Mmabana Rustenburg. - Public Works has confirmed that funds have been allocated for fix the roof at Mmabana Taung.

Indicator No.	Areas of under performance	Strategy to overcome areas of under performance
1.10	Number of athletes enrolled through Artistic Sport developmental programmes	• Hold open days activations across all the centers • Modernise product offerings (medium to long term) • Public Works has confirmed that funds have been allocated for fix the roof at Mmabana Taung. • Modernise product offerings (medium to long term) by refurbishing infrastructure and procuring new equipment.

The achievement of these targets has significantly contributed to the entity's outcomes, aligning with and advancing the strategic priorities of the government. By successfully promoting and supporting our flagship events, the programme has played a crucial role in enhancing the visibility and impact of the entity's initiatives, thereby fostering greater community engagement and support.

Linking performance with budgets

Programme 1	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Marketing & Communication	2 141	1 792	349	1 871	1 359	512
Corporate Services	58 338	55 686	2 652	58 332	59 491	-1 150
Finance, Compliance and Reporting	13 218	12 433	785	13 568	13 292	276
Internal Audit	1 738	1 587	151	1 538	1 360	178
Total	75 435	71 498	3 937	75 309	75 501	-192

3.2. PROGRAMME 2: PERFORMING ARTS, VISUAL ARTS & CULTURE

Purpose: This is the core programme responsible for training and development in the Province in line with the Government priorities.

Outcome

Competent artists ready for the arts and culture industry

2.1 Performing Arts

2.2 Visual Arts

Purpose: To build learner competency through accredited SAQA aligned programmes at NQF level 1-3

2.3 Academic Services

3.2.1 Sub-Programme 1: Performing Arts

Outcomes, Outputs, Output indicators, Targets and Actual Achievement

Sub-Programme 1: Performing Arts									
Outcome	Output	Output Indicators		Audited Actual Achievement 2022/2023	Audited Actual Achievement 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for deviation
Competent artists ready for the Arts and Culture industry	Platforms created to increase participation in provincial, national and international competitions and events	2.1.1	Number of artistic projects funded	51	28	28	23	(5)	See below
		2.1.2	Number of artistic bursaries funded	New	New	10	0	(10)	See below
		2.1.3	Number of platforms created for artists to display their capabilities	338	260	230	237	7	See below
		2.1.4	Number of projects supported in the creative industry	New	15	10	17	7	See below
	Artists equipped with skills aligned to the market Needs	2.1.5	Number of learners trained through developmental programmes	New	New	550	237	(313)	See below
		2.1.6	Number of learners/artists developed through enrichment initiatives	5143	2193	1600	2014	414	See below

Reasons for deviations

No.	Indicator	Reasons for deviations
2.1.1	Number of projects funded	Only few applications met the requirements for funding in line with the project funding guideline.
2.1.2	Number of artistic bursaries funded	- The Mmabana bursary application was hosted online. Applications to the system was not accessible because the email did not have a provisioning licence. - This problem created a challenge to access the password and downloading of applications received.
2.1.3	Number of platforms created for artists to display their capabilities	The showcases and performance by each unit during open day programmes resulted in over-achievement of the target. Initially the units planned to collaborate in showcasing the talent, however, they performed separately to specifically demonstrate the various skills transferred by the Foundation
2.1.4	Number of projects supported in the creative Industry	The demand from creative industry to participate in the festival has increased.
2.1.5	Number of learners trained through development al programmes	- The delay by the Department of Public Works to fix the damaged roof in Taung resulted in the failure of the Centre to register and train visual arts learners, thus resulting in under achievement of the target. - The Rustenburg centre is not habitable. The centre failed to register learners due to the state of the building. In December 2024, there was some movement from the Municipality around the Transformer, hopefully this will be fixed as the Centre has been without electricity since July 2021.
2.1.6	Number of learners/artists developed Through Enrichment Initiatives	Implementation of outreach programmes in schools and community centres resulted in over achievement of the set target. The interest in learners/beneficiaries resulted in more attendees than planned. The units developed all attendees to address social cohesion priority

Overall Sub-Programme performance

Programme	Programme name	Total No. of Output Indicator	Achieved	
			No. of Output Indicator	% of Output Indicator
1.	Performing Arts	6	3	50%



3.2.2 Sub-Programme 2: Visual Arts

Outcomes, Outputs, Output indicators, Targets and Actual Achievement

Sub-Programme 2: Visual Arts									
Outcome	Output	Output Indicators		Audited Actual Achievement 2022/2023	Audited Actual Achievement 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for deviation
Number of learners/artists Developed Through Enrichment Initiatives	Number of learners/artists Developed Through Enrichment Initiatives	2.2.1.	Number of platforms created for artists to display their capabilities	73	107	70	94	24	See below
	Artists equipped with skills aligned to the market needs	2.2.2.	Number of learners trained through developmental programmes	New	New	220	97	(123)	See below
		2.2.3	Number of learners/artists developed through enrichment initiatives	1 845	2 553	1 036	1 201	165	See below

Reasons for deviations

no.	Indicator	Reasons for deviations
2.2.1	Number of platforms created for artists to display their capabilities	The showcases and performance by each unit during open day programmes resulted in over-achievement of the target. Initially the units planned to collaborate in showcasing the talent, however, they performed separately to specifically demonstrate the various skills transferred by the Foundation
2.2.2	Number of learners trained through developmental programmes	- The delay by the Department of Public Works to fix the damaged roof in Taung resulted in the failure of the Centre to register and train visual arts learners, thus resulting in under achievement of the target. - The Taung Visual Arts Unit is under resourced. - The Rustenburg centre is not habitable. The centre failed to register learners due to the state of the building. In December 2024, there was some movement from the Municipality around the Transformer, hopefully this will be fixed as the Centre has been without electricity since July 2021.
2.2.3	Number of learners/artists Developed Through Enrichment Initiatives	Implementation of outreach programmes in schools and community centres resulted in over achievement of the set target. The interest in learners/beneficiaries resulted in more attendees than planned. The units developed all attendees to address social cohesion priority

Overall Sub-Programme performance

Sub-programme	Sub-programme name	Total No. of Output Indicator	Achieved	
			No. of Output Indicator	% of Output Indicator
2.	Visual Arts	3	2	67%

3.2.3 Sub-Programme 3: Academic Services

Purpose: To build learner competency through accredited SAQA aligned programmes at NQF level 1 - 3

Outcomes, Outputs, Output indicators, Targets and Actual Achievement

Sub-Programme 3: Academic Services									
Outcome	Output	Output Indicators		Audited Actual Achievement 2022/2023	Audited Actual Achievement 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for deviation
Competent artists ready for the Arts and Culture industry	Learners equipped with skills aligned to the market needs	2.3.1.	Number of learners developed through accredited programmes	0	80	90	77	(13)	See below

Reasons for deviations

No.	Indicator	Reasons for deviations
2.3.1	Number of learners developed through accredited programmes	- One (1) learner passed on. - Five (5) learners dropped from the programme - Seven (7) learners found employment - The system only allows for learner replacement in the first month of the programme

Overall Sub-Programme performance

Sub-programme	Sub-programme name	Total No. of Output Indicator	Achieved	
			No. of Output Indicator	% of Output Indicator
3.	Academic Services	1	0	0%

Overall Programme performance

Programme	Sub-programme name	Total No. of Output Indicator	Achieved	
			No. of Output Indicator	% of Output Indicator
Performing Arts, Visual Arts & Culture	Performing Arts	6	3	50%
	Visual Arts	3	2	67%
	Academic Services	1	0	0%
	Total	10	5	50%

Strategy to overcome areas of under performance.

Sub-programme	Areas of under-performance	Strategy to overcome areas of under performance
Performing Arts	2.1.1 Number of artistic projects funded	Roadshows to workshop artists on funding application to be conducted in all the three districts that underperformed.
	2.1.2 Number of artistic bursaries funded	Appointment of an IT Manager to manage all the ICT governance related matters.
	2.1.5 Number of learners trained through developmental programmes	- A commitment has been made by Public Works to finalize the procurement process of fixing the Taung roof. - Additional tutors in pottery and printing need to be contracted or appointed - The entity is procuring solar lights for the Rustenburg Centre to assist in creating a conducive learning environment
Visual Arts	2.2.2 Number of learners trained through developmental programmes	- A commitment has been made by Public Works to finalize the procurement process of fixing the Taung roof. - Additional tutors in pottery and printing need to be contracted or appointed - The entity procured solar lights for the Rustenburg Centre to assist in creating a conducive learning environment
Academic Services	2.3.1 Number of learners developed through accredited programmes	Enrolment of higher number than the initial target to ensure learner attrition

During the implementation of the Creative Arts activities, youth and women were prioritised as they form the high percentage of our intended beneficiaries. The Entity continued working closely with the communities and schools in the implementation of the Outreach Programmes. The programmes conducted outreach programmes to the facilities of the persons with disabilities. The Creative Arts Programme assisted the community in providing activities that keep the youth away from social ills as well as awareness of the danger thereof. It also creates a platform for people living with disabilities to engage in our Programme offerings.

The Entity embarked on a massive roadshow in all districts to coordinate activities in the schools, clinics, and old age homes (the vulnerable) in imparting knowledge and skills.

The programme activities are also done to ensure that the Entity's offerings are showcased to the community for maximum participation, mostly in rural areas, as part of expanding access to the entity programme offerings.

The programmes are centred around developing the learners/artists through enrichment initiative i.e., offering theory and/or practical training. Community based practitioners were also utilized to bring members of the community together for maximum participation. The entity was able to improve access to services.

Linking performance with budgets

	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Programme 2						
	R'000	R'000	R'000	R'000	R'000	R'000
Performing Arts and Culture	28 185	27 146	1 039	36 085	33 034	3 051
Kanana CAC	1 440	1 424	16	10 604	10 502	102
Visual Arts	11 054	10 643	411	1 550	1 343	207
Total	40 679	39 213	1 466	48 239	44 878	3 361

3.3. Programme 3: Artistic Sport

Purpose: Improve physical fitness and mental well-being through training and development

Outcome: Trained Athletes collectively contributing towards the advancement of Sport in the North West Province

Outcomes, Outputs, Output indicators, Targets and Actual Achievement

Programme 3: Artistic Sport									
Outcome	Output	Output Indicators		Audited Actual Achievement 2022/2023	Audited Actual Achievement 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for deviation
Trained Athletes collectively contributing towards the advancement of Sport in the North West Province	Community and schools mass participation in health and fitness programmes to promote a healthy lifestyle	3.1	Number of participants in health and fitness programmes.	9 265	11 434	9 200	13 459	4 259	See below
	Athletes equipped with skills aligned to the market needs	3.2	Number of learners/ Athletes developed through enrichment initiatives.	2 942	4 334	4 500	5 464	964	See below
	Platforms created to increase participation in provincial, national and international competitions and events	3.3	Number of platforms created for athletes to display their capabilities	100	159	48	50	2	See below
	Athletes who can compete on district/regional, provincial, national and international platforms	3.4	Number of athletes who represent the entity at organized competition structures	370	272	300	286	(14)	See below

Reasons for deviations

No.	Indicator	Reasons for deviations
3.1	Number of participants in health and fitness programmes.	The interest in individuals to participate in health programmes resulted in more attendees than planned. The units developed all attendees to address social cohesion priority
3.2	Number of learners/ Athletes developed through enrichment initiatives.	The interest in learners to participate in training and self defence programmes resulted in more attendees than planned. The units developed all attendees to address social cohesion priority
3.3	Number of platforms created for athletes to display their capabilities	Showcases by each unit during open day programmes resulted in over-achievement of the target. Initially the units planned to collaborate in showcasing the talent, however, they performed separately to specifically demonstrate the various skills transferred by the Foundation
3.4	Number of athletes who represent the entity at organized competition structures	- The Mahikeng Karate Dojo head and club have been suspended from participating in all competitions. - Non qualification of athletes/learners due to late registration resulted in the non- participation in the competition.

Overall Programme performance

Programme	Programme name	Total No. of Output Indicator	Achieved	
			No. of Output Indicator	% of Output Indicator
3.	Artistic Sport	4	3	75%

Strategy to overcome areas of under performance.

Programme	Areas of under-performance	Strategy to overcome areas of under performance
Artistic Sport	Number of athletes who represent the entity at organized competition structures	- The federation has since lifted the Mahikeng club suspension for the karatekas to participate in the upcoming competitions. - Athletes/learners will participate in the upcoming competitions - Appointment of an instructor

During the implementation of the Artistic Sport activities, youth and women were prioritised as they form the high percentage of our intended beneficiaries. The Entity worked closely with the communities and schools for their Outreach Programmes. The programmes conducted outreach programmes to the facilities of the persons with disabilities. The programmes are implementing self defence programmes and aerobic activities to encourage communities to take care of their well-being and to live a healthy lifestyle.

The Entity embarked on a massive roadshow in all districts to coordinate activities in the schools, clinics, and old age homes (the vulnerable) in imparting knowledge and skills.

The Artistic Sport activities are also done to ensure that the Entity's offerings are showcased to the community for maximum participation, mostly in rural areas, as part of expanding access to the entity programme offerings.

The programmes are centred around developing the learners/artists through enrichment initiative i.e., offering theory and/or practical training. Community based practitioners were also utilized to bring members of the community together for maximum participation, build relationships and get involved in ways that rebuild and pulling together to make our province a better place, and this created much more needed opportunities for the practitioners given the current economic outlook of the country and province. The entity was able to improve

access to services, and hence it was able to over-achieve in most of set targets in various the performance indicators.

Linking performance with budgets

Programme 3	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Artistic Sports	9 892	9 573	319	13 274	12 164	1 110
Total	9 892	9 573	319	13 274	12 164	1 110

3.4. SUMMARY OF ENTITY'S PERFORMANCE

The table below depicts the summary of the entity's achievement output indicators for all programmes:

					Achieved	
Progra mme No.	Programme Name	Sub- progra mme	Sub- programme name	Total No. of Output Indicator	No. of Output Indicator	% of Output Indicator
1.	Management and Administration	-	-	10	3	30%
2.	Performing Arts, Visual Arts & Culture	1	Performing Arts	6	3	50%
		2	Visual Arts	3	2	67%
		3	Academic Services	1	0	0%
3.	Artistic Sport		Artistic Sports	4	3	75%
Total				24	11	46%

This summary provides a high-level overview of the entity's performance, highlighting achievements and areas for improvement, flowing from the table above. While the overview of performance shows that the entity has not performed well when looking at the percentage of indicators achieved, significant progress has been registered towards achievement of most of those indicators.

As part of identifying areas of weakness in performance, structured performance reviews will be planned where data will be analysed to the level of units and centers in improving performance. This will assist to identify areas that require support and strengthen those already performing well. The entity will use this performance data to:

- Identify areas for improvement
- Refine strategies and plans
- Enhance performance in the upcoming year

Mmabana identified negative public perception and decline in the demand of its services over time. In order to cap against these two identified challenges, the Mmabana Open Day activations were conducted across five centers, aiming to showcase the various programmes offered by the entity while engaging stakeholders and the community. The Open Days served as a platform to raise awareness, drive registrations, and create meaningful connections within the creative sector. Despite facing several challenges, the events were successfully executed, owing to the team's dedication and strategic improvisation.

While Programme 1 has not achieved most of its indicators, significant progress has been recorded towards achievement of some indicators and in other instances attempts were made to achieve the targets. The following table present full account of activities undertaken in an attempt to achieve or remedy non-achievement.

4. REVENUE COLLECTION

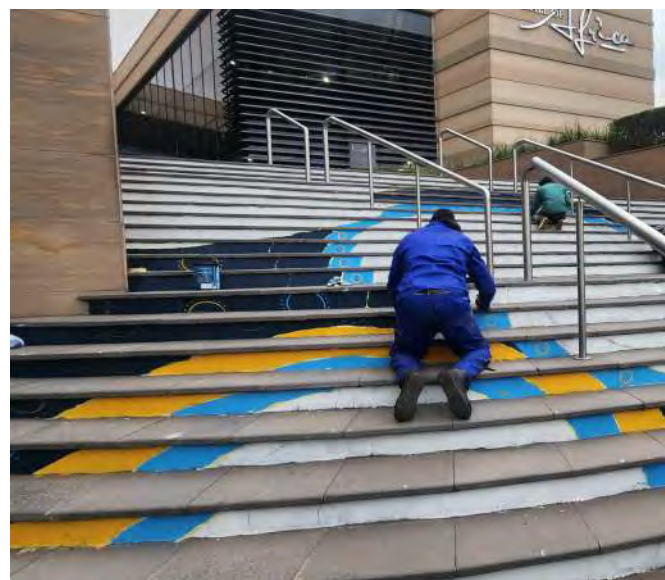
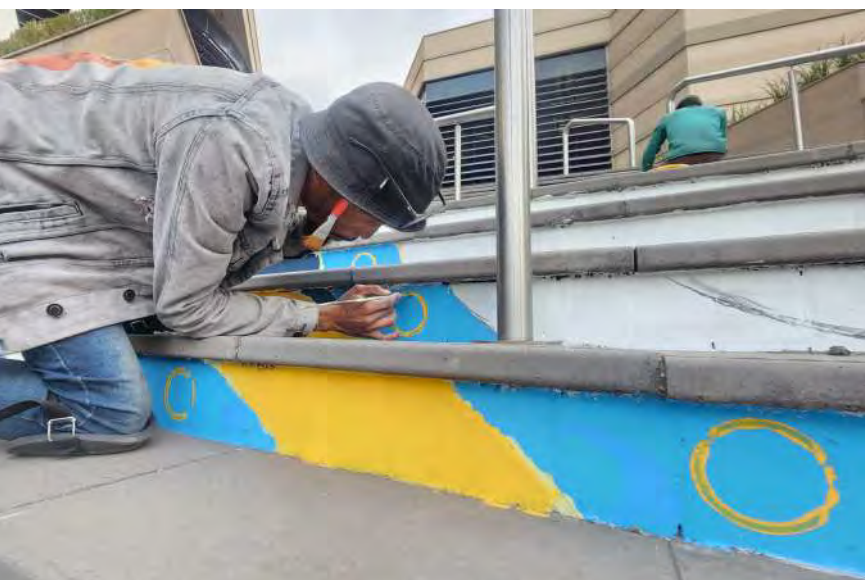
Sources of revenue	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Rental of facilities	178	36	142	170	151	19
Rendering of services	931	1 455	-524	1 325	1 465	(140)
Interest on Investments	1 350	1 362	-12	800	2 574	(1 774)
Total	2 459	2 853	-394	2 295	4 190	(1 895)

5. CAPITAL INVESTMENT

Repair and maintenance

- The entity had a budget of R1 500 000 for repairs and maintenance for the year.
- Below is the list of notable projects completed during the year:
 - Refurbishment of Mmabana Mafikeng Tuck shop
 - Installation of solar power system for Mmabana Bojanala
- Mmabana also undertook repairs and maintenance relating to lightening, back-up power supply, back-up water supply and ablution facilities.

Infrastructure projects	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Refurbishment	1 500	1 302	198	4 426	4 459	(33)
Mmabana Head Office repairs	3 996	0	3 996	0	0	0
Total	5 496	1 302	4 194	4 426	4 459	(33)





Part C

GOVERNANCE

1. INTRODUCTION

Good corporate governance embodies processes and systems that enhance organisational discipline, integrity, transparency, accountability, responsibility, fairness and sustainable economic, social and environmental performance. As the focal point and custodian of MACSF's corporate governance, the Foundation is committed to establishing and striving for exceptional governance practices underpinned by effective leadership. The governance practices of MACSF have been established in line with the Mmabana Arts, Culture and Sport Foundation Act 7 of 2000, as amended, the Public Finance Management Act no. 1 of 1999 as amended (PFMA)

2. PORTFOLIO COMMITTEES

The Portfolio Committee plays a critical oversight role in ensuring that the entity remains relevant to its mandate and holds it accountable. In the year under review, the Portfolio Committee has raised sharply a number of issues for consideration by the entity. The table below shows some of the most critical issues that the Portfolio Committee raised with the entity. The entity appeared before the Portfolio Committee on Education, Arts, Culture, Sports and Recreation throughout the year for presentation of quarterly reports, presentation of annual report, presentation of different versions of the Strategic Plan and Annual Performance Plan. Throughout these interactions, the entity has been able to respond to the questions posed by the Portfolio Committee, whether those questions were written or during the meetings. The following are the key issues that have been concerns for the Portfolio Committee during the reporting period:



Summary of issues raised by Portfolio committee

Date	Areas of Risk	Mitigation done by the entity
1 st Quarter Performance Report 2024/25	Skills mismatch	The entity will conduct a skills audit after the approval of the organisational structure Implement a skills development plan
	Loss due to uninsured assets	All vehicles are insured Consideration for insuring capital and other core assets where the entity has insurable interest.
	High vacancy rate	Entity prioritised filling of vacant posts 2 Senior management posts 5 Management posts Other vacant funded posts to be filled after the approved organisational structure
	MACSF programmes not responding to designated groups	Expanded programmes for the disabled, older persons, youth, and women
Annual Performance Report 2023/24	The following reports to be submitted to the committee within seven days after the meeting: Lack of consequence management	Strengthen labour relations function Train managers on basic Labour Relations and consequence management
	Regressing on audit outcomes	Post audit action plan - Implement 100% - Monitoring of implementation of internal audit recommendations
	Non- compliance with OHS	Expedite refurbishment of the Head office, implement preventative maintenance across our buildings Refurbishment of the centers
2nd Quarter Performance Report 2024/25	The following reports are to be submitted to the committee within seven days after the report has been adopted by the committee and tabled in the house:	
	Non responsiveness of MACSF ACT 7 of 2000, to the current entity offerings	Alignment of the Board charter to the King IV . Re-look at the functions in the act to correlate with the entity's programme offerings and alignment to the industry standards.
	Inability to restore entity's competitiveness	Development and implementation of the Turnaround Strategy 2025-30 Quarterly monitoring of the Implementation plan of the turnaround strategy
Annual Performance and Budget 2024/25	Ageing personnel	Implementation of the early retirement plan and alignment of the new organisational structure to reduce COE
	Non implementation of Accredited programmes	Appointing qualified facilitators and moderators to assist in accredited programmes

3. EXECUTIVE AUTHORITY

Summary of issues raised by the Executive Authority

Date	Issues raised	Mitigation done by the entity
26 June 2024	Management to be innovative and be able to source sustainable resources beyond the grant from the department.	A turnaround strategy was developed which addresses most of the issues identified and the concerns raised by the Executive Authority.
	Resuscitate partnership with private sector – develop plans	
	Submit a PPP case to the Provincial Treasury	
	Governance to be strengthened with sub-committees of the board that are functional	
	Board to submit a fundraising plan to augment the grant	
	Stability in leadership (position of the CEO must be filled within 6 weeks) the board to assist in the appointment.	
	Non- compliance with OHS	Expedite refurbishment of the Head office, implement preventative maintenance across our buildings Refurbishment of the centers
01 August 2024	Skills mismatch	The entity will conduct a skills audit after the approval of the organisational structure Implement a skills development plan
	Noting that the entity has received an Unqualified Audit Opinion, to ensure that PAAP is developed and implemented.	A turnaround strategy was developed which addresses most of the issues identified and the concerns raised by the Executive Authority.
	The Board to ensure that the entity is fully functional and where necessary, consequence management is followed	
	Develop the concept of fashion design dedicated to Batswana Culture and Tradition	
	Develop a Revenue generation framework and ensure that we increase our capacity to raise own revenue and reduce over-dependence on government	
14 August 2024	Skills mismatch	The entity will conduct a skills audit after the approval of the organisational structure Implement a skills development plan
	High vacancy rate	Entity prioritised filling of vacant posts 2 Senior management posts 5 Management posts Other vacant funded posts to be filled after the approved organisational structure
	Lack of consequence management	Strengthen labour relations function Train managers on basic Labour Relations and consequence management
	Inability to restore entity's competitiveness	Implementation of the Turnaround Strategy 2025 – 2030

Date	Issues raised	Mitigation done by the entity
		Quarterly monitoring of the Implementation plan of the turnaround strategy
	Ageing personnel	Implementation of the early retirement plan and alignment of the new organisational structure to reduce COE

Compliance Report	Submission Date
Strategic Plan for 2020/21 – 2024/2025	06 March 2020
Annual Performance Plan for the year 2024/2025	19 July 2024
Annual Report 2023/2024	21 November 2024
Quarterly Financial and Non-financial reports on operational activities of the Entity for the financial year 2023/2024	
Quarterly 1	03 September 2024
Quarterly 2	21 November 2024
Quarterly 3	08 May 2025
Quarterly 4	08 May 2025

Reports requested by the Executive Authority

Programme	Report title
Performing Arts	Taung Cultural Calabash (TCC)
Performing Arts	National Arts Festival (NAF)
Performing Arts	The Ultimate Talent Search
Performing Arts	North West Artists Funding
Performing Arts	Rumba in the Jungle
Corporate Services	Key critical vacant positions
CEO Office	Management meeting with MEC pack
CEO Office	File reports (MEC meeting with MACSF management 31 October 2024)

4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

The MACSF Board is the Accounting Authority as defined in Section 49 of the PFMA. The members of the Board have a collective responsibility to meet fiduciary duties outlined in Sections 50 and 51 of the PFMA including the Treasury Regulations, and the principles of the King III and IV Code of Governance. The MACSF Board is constituted in line with the MACSF ACT 7 of 2000. This ACT further confers certain powers, functions and duties to the Board.

The role of the Board is as follows:

The following are fiduciary responsibilities as outlined in section 50 of the PFMA

Fiduciary duties of accounting authorities.—(1) The accounting authority for a public entity must—

(a) exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;

(b) act with fidelity, honesty, integrity and in the best interests of the public entity in managing the financial affairs of the public entity;

(c) on request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature; and

(d) seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

(2) A member of an accounting authority or, if the accounting authority is not a board or other body, the individual who is the accounting authority, may not—

(a) act in a way that is inconsistent with the responsibilities assigned to an accounting authority in terms of this Act; or

(b) use the position or privileges of, or confidential information obtained as, accounting authority or a member of an accounting authority, for personal gain or to improperly benefit another person.

(3) A member of an accounting authority must—

(a) disclose to the accounting authority any direct or indirect personal or private business interest that that member or any spouse, partner or close family member may have in any matter before the accounting authority; and

(b) withdraw from the proceedings of the accounting authority when that matter is considered, unless the accounting authority decides that the member's direct or indirect interest in the matter is trivial or irrelevant.

The following are the roles and responsibilities of the board as outlined in section 51 of the PFMA. An accounting Authority for an entity must ensure that the entity has and maintains:

General responsibilities of accounting authorities.

(1) An accounting authority for a public entity—

(a) must ensure that that public entity has and maintains:

- (i) effective, efficient and transparent systems of financial and risk management and internal control;*
- (ii) a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77; and*
- (iii) an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective;*

(iv) a system for properly evaluating all major capital projects prior to a final decision on the project;

(b) must take effective and appropriate steps to—

- (i) collect all revenue due to the public entity concerned; and*
- (ii) prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and*
- (iii) manage available working capital efficiently and economically;*

(c) is responsible for the management, including the safe-guarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity;

(d) must comply with any tax, levy, duty, pension and audit commitments as required by legislation;

(e) must take effective and appropriate disciplinary steps against any employee of the public entity who—

- (i) contravenes or fails to comply with a provision of this Act;*
- (ii) commits an act which undermines the financial management and internal control system of the public entity; or*
- (iii) makes or permits an irregular expenditure or a fruitless and wasteful expenditure;*

(f) is responsible for the submission by the public entity of all reports, returns, notices and other information to Parliament or the relevant provincial legislature and to the relevant executive authority or treasury, as may be required by this Act;

[Para. (f) substituted by s. 29 of Act No. 29 of 1999.]

(g) must promptly inform the National Treasury on any new entity which that public entity

intends to establish or in the establishment of which it takes the initiative, and allow the National Treasury a reasonable time to submit its decision prior to formal establishment; and

(h) must comply, and ensure compliance by the public entity, with the provisions of this Act and any other legislation applicable to the public entity.

(2) If an accounting authority is unable to comply with any of the responsibilities determined for an accounting authority in this Part, the accounting authority must promptly report the inability, together with reasons, to the relevant executive authority and treasury.

Board Charter

A Board charter defines the Mmabana Board's oversight responsibilities. This is to be read in conjunction with the Mmabana Act, the PFMA, Treasury Regulations and the Board subcommittees' Terms of Reference.

The existing Board Charter became a governance document to be used by the Boards in future. In accordance with the charter, the following are expected from the Board: -

- Board and its Sub-Committee Quarterly meetings.
- Appearance before the Provincial Legislature Committees to report on oversight over the Entity.
- Meetings with the Executive Authority.
- Meetings with the Office of the Auditor General in discussing and obtaining understanding of the agreed scope for external audit to be conducted in the entity, took place with ACEO in attendance. Stakeholder relations and project support.

Establishment of the sub-committees: -

- To assist in the oversight of operations in the entity, namely:
- The Audit and Risk Committee, which is responsible for oversight on governance, internal control, risk management, internal audit and financial management.
- The Human Resource and Remuneration Committee is responsible for ICT and Human Resources functions.
- The Special Projects Committee is responsible for oversight on all artistic and indoor sport activities (core-business) and the Fundraising Committee which is responsible for stakeholder management and fundraising.
- The Social and Ethics Committee would be to promote staff morale and professionalism in the entity

Composition of the Board

The Board comprised of seven (7) non-executive members and the Acting Chief Executive Officer as an *ex officio* member. The seven (7) members included the chairperson, deputy chairperson and ordinary members. There were no alternate members of the Board.

Board members were appointed by the MEC for Arts, Culture, Sports & Recreation on the 01st June 2024 for a period of three (3) years.

The Board members met twenty-one (21) times during the fiscal year with an overall attendance of 95%.

Board members attended Board meetings including subcommittee meetings which are outlined as follows:-

Activity	Board meetings	Number of meetings
Board Meetings	Board	21
Sub Committee Meetings	HR & REMCO sub committee	08
	Audit & Risk sub committee	04
	Finance sub committee	05
	Social & Ethics sub committee	01
	Special Projects sub committee	05

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended
Ms. M R Monye	Board Chairperson	01/06/ 2024	Active	Diploma in Marketing, Project Management Certificate, Oral Presentation Certificate, Criminal Justice Board Leadership (GIBS)	Business Management, Marketing and Communications	Director: Rapid Dawn 1222	-	21
Mr. O M Ntsie	Deputy Chairperson	01/06/ 2024	Active	LLB Attorney of the High Court of SA	Law	North West Geographic Naming Committee	HR & Remco Finance	19
Mr. S M Bokaba	Member	01/06/ 2024	Active	Masters in Administrative and Municipal Law (LLM), bachelor's in law LLB,	Law	-	Social & Ethics	2
Ms. R T Monene	Member	01/06/ 2024	Active	Bachelor in law (LLB) and Diploma in Law,	Law	Bonitas Medical Scheme	HR & Remco Social & Ethics	20
Ms. J Nyathi	Member	01/06/ 2024	Active	Frontline and Public Relation certificate, Development and Facilitation Training for Local Government Certificate	Management Administration, Communications	Dirapeng SOE NWDC GLR Holdings NWPB PHRA Municipal Pension Fund	Special Programmes	21
Ms. H Damba	Member	01/06/ 2024	Active	CA (SA), BCom Accounting Honours, BCom Accounting	Chartered Accountant (Finance & Audit)	Director - Nexwave (Pty) Ltd	Finance Audit & Risk	14
Ms. F N Losaba	Member	01/06/ 2024	Active	BA in Communications	Communications	Bophelong Psychiatric Board	Finance Audit & Risk	21
Mr Wessels Morweng	Accounting Authority	13/11/2023	1/06/ 2024	Honours BA in communications (Journalism)	communications (Journalism)	-	-	1
Mr Wessels Morweng	Ex-Officio	01/06/2023	12/06/2024	Honours BA in communications (Journalism)	communications (Journalism)	-	Ex-Officio	0
Mr Thabo Mabe	Ex-Officio	13/06/2024	28/02/2025	Bachelor of Commerce in Accounting: 2013	Accounting and Arts Administration	-	Ex-Officio	13
Mr Hendrick Metsileng	Ex-Officio	01/03/ 2025	Active	MCom (Statistics)	ICT, Monitoring and evaluation information management, Strategy Management	-	Ex-Officio	3

Former board member, Mr S Bokaba was also a member of the Audit and Risk committee only availed himself and attended only two meetings.

Committees

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk	3	3	Faith Losaba, Halima Dambha, Solly Bokaba
Special Project	6	3	Jeanette Nyathi, Faith Losaba, Ontlametse Ntsie
Finance	3	3	Faith Losaba, Halima Dambha, Ontlametse Ntise
Human Resources and Remuneration	5	3	Ontlametse Ntise, Tokologo Monene, Faith Losaba
Social Ethics	1	3	Tokologo Monene, Solly Bokaba, Jeanette Nyathi

Remuneration of board members

Remuneration is determined and payable per attendance of members to Board, Sub-Committee meetings and other meetings i.e., Provincial Legislature and Mother Department. Tariffs used are standard amounts approved by the MEC i.e., R2 300 for chairperson and R2 000 for ordinary members. Travelling tariffs used are the ones determined by the Department of Transport. Public Servants employees are not remunerated for seating allowance only reimbursed for travel expenses.

Name	Board sitting fees	Reimbursive Travel claims	Total
Refilwe Moyo (Board Chairperson)	R 130,200.00	R 61,756.92	R 191,956.92
Jeanet Dibetso-Nyathi	R 84,000.00	R 27,942.69	R 111,942.69
Ramadimetja Monene	R 96,000.00	R 16,617.10	R 112,617.10
Ontlametse Ntsie	R 110,000.00	R 34,952.72	R 144,952.72
Monko Bokaba	R 4,000.00	R 1,590.12	R 5,590.12
Faith Losaba	R 100,000.00	R 23,232.95	R 123,232.95
Halima Dambha	R 60,000.00	R -	R 60,000.00
Total	R 585,100.00	R 166,092.50	R 750,292.50

The table below depicts the board activities breakdown held by the Board Members which are:

• Board Seating	21
• Board induction	1
• Portfolio Committee	4
• Board oversight visit	5
• Strategic Planning Session	2
• Meeting with MEC	6
• Meeting with AG	1
• Subcommittees Chairpersons meeting	2
• Meeting with Premier	1
Total	43

5. RISK MANAGEMENT

- The entity has a risk management policy and strategy that have not been reviewed for the previous two financial years. The entity did not have a dedicated Risk Management official in those two financial years and currently the entity is in the process of filling the advertised position.
- The entity has not been able to conduct a risk assessment due to the risk management not being functional.
- The Risk Management Committee was not established and it will be established after the finalization of the Risk Management Policy
- The Audit and Risk Management Committee addressed the importance of risk management to Management in their meetings.
- The public entity is concerned with the management of risks and plans to ensure that the risk management unit is effective and in place.
- The public entity is currently putting plans in place to address the current concerns over the management of risks.

6. INTERNAL CONTROL UNIT

The key focus areas of the Internal Control unit include the following:

- Pre (prevention) and post (detection) audits of the procurement and payment processes in order to identify and report Irregular, Fruitless and Wasteful expenditure.
- Coordination of internal and external audits to ensure timely submission of information requested by auditors.
- Coordination of the development of the Post Audit Action Plan.
- Monitoring of action plans
- Review of performance information

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the internal audit

The objective of internal audit unit role includes reviewing processes and procedures, examining financial records, assessing compliance with applicable laws and regulations, evaluating risks and developing recommendations to improve risk management, and investigating possible fraud.

Key activities of internal audit include evaluation of internal controls, assurance of compliance with regulations, and investigations of fraud or other misconduct. Internal auditors also focus on improving operational efficiency, identifying areas for improvement, and reporting their findings to management

Summary of audit work done

The audit work done in the financial year 2024/2025 by internal audit function:

Q1	Q2	Q3	Q4
Compensation of Employees (4 th Quarter of 2023/24) audit	Q1 Employee Costs audit	Revenue Management audit	Q2 Performance Information audit Q2-Q3 Employee Costs audit
2023/2024 AFS and APR audit	SCM contracts audit	Q2-Q3 Expenditure Management audit	2024/2025 Interim Financial Statements 2023/2024 Post Audit Action plan audit
Risk Management Audit Expenditure Management audit	Q1 Performance Information audit	NW Artist Funding audit (Conditional grant)	Policy Review audit Asset Management audit

Key activities and objectives of the audit committee

The role of the audit committee is to support the Board in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, internal and external audit functions and ethical accountability.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Faith Losaba,	BA in Communications	Internal	Board Member	02 July 2024	Active	3
Halima Dambha	CA (SA), BCom Accounting Honours, BCom Accounting	Internal	Board Member	02 July 2024	Active	3
Solomon Bokaba	Masters in Administrative and Municipal Law (LLM), bachelor's in law LLB,	Internal	Board Member	02 July 2024	Non Active	0

8. COMPLIANCE WITH LAWS AND REGULATIONS

- The entity has developed and implemented a SCM compliance checklist
- The Provincial Treasury PFMA compliance checklist is completed and submitted quarterly
- A Post Audit Action Plan has been developed and where necessary, actions required to address compliance issues are implemented.
- Revised financial and human resource delegations that have been approved by the Accounting Authority.
- Regular quarterly and monthly reporting to the Department of Arts, Culture, Sports and Recreation (ACSR), Provincial Treasury and the Provincial Legislature on the entity's operational activities.
- Adherence to the transfer payment agreement between the entity and the mother department (ACSR).
- Management implements the recommendations of internal audit function to address internal audit findings as populated in the internal audit plan.

9. FRAUD AND CORRUPTION

Corruption in the Public Service undermines the fight against poverty by putting money that is meant for infrastructure and development into the pockets of corrupt officials. Corruption increases the cost of public services and slows down service delivery to the public.

- The public entity's fraud prevention plan has not been reviewed for the previous two financial years. The unit not having a responsible official for the previous two financial years resulted in the entity being unable to effectively implement the fraud prevention plan.
- Officials are encouraged to report fraud and corruption to the Office of the CEO, Internal audit and Internal control unit. Confidential disclosure is always promoted.

- Management views all allegations of fraud and corruption very serious and ensure that they are investigated and outcomes reported

10. MINIMISING CONFLICT OF INTEREST

Annually, the Board members, Management and SCM practitioners and SCM committee members sign the declarations of financial interest forms to facilitate recording of any interest that might impact on the MACSF. Furthermore, in every management, SCM committee or Board and Committee meetings, a declaration of interest form on agenda items are completed and signed. Where there is an interest declared, the member would be requested to recuse himself/herself when the item is discussed.

11. CODE OF CONDUCT

The entity has an approved Code of Conduct. The purpose of the Code is to promote exemplary conduct by assisting both employer and employees to know and understand the minimum standards of conduct and the expected behaviour required of employees of the MACSF. This code is directly linked to the MACSF Values and Ethics which acts as a guideline to employees on what is expected of them from an ethical point of view, both in their individual conduct and in their relationships with others.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational health and safety (OHS) issues are a priority. To this effect, a Safety and Health Committee is in place in all regional centres of the entity and its primary mandate is to deal with occupational, health & safety issues in the workplace. Members of this OHS Committee are representative of all workplaces within the MACSF. An internal audit review has been conducted on the status of the entity's occupational health and safety compliance. The entity continues to improve physical infrastructure to ensure maximum safety in the workplace.

This financial year, a new committee will be established.

13. COMPANY /BOARD SECRETARY

The Board Secretary plays two pivotal roles in providing secretarial and advisory services to the Board and its Committees. Furthermore, the Board Secretary is a liaison official between Management and the Board and between the Board and the Shareholders, thus giving effect to the governance protocol. In terms of King IV, the Board Secretary should assist the nomination committee and ensure that the appointment of Directors is properly carried out, provide a central source guidance and advice to the Board on matters of good governance and of change in the legislation.

14. SOCIAL RESPONSIBILITY

Mmabana Arts, Culture and Sport Foundation is committed to ensuring that the creativity sector contributes to the amplification and enhancement of government priorities. It is this opening machination that is the driving impetus to the entity's service delivery and social responsibility approach that focuses on the responsibility that the creativity sector holds for programme delivery and implementation. The entity introduces its students and participants to professional 'best practice' whilst opening up questions around the employability of youth in the arts sector and addressing social ills. Through the project funding initiatives, bursaries, teaching and learning programmes and platforms created for artists to display their capabilities the entity engages individuals, registered companies, non-profit organisations, and related institutions in an effort to maximise proficiency, productivity, and creative value in a way that benefit society in the North West province and lessens any potential negative impact in the lives of young people and artists. The entity continues to apply innovative thinking to engage notions of culture, heritage, identity, social cohesion and social justice.

The Entity is actively involved in working with learners who have disabilities to improve their self-esteem and be recognised and claim their right in society. The Programmes are encouraged to incorporate activities for the Older Persons, Moral Regeneration, Social Cohesion, GBV Awareness, Women's and Children's activities and Men. Activities for Older Persons such as Aerobics encourages the Older Persons to live a healthy lifestyle and take care of their wellbeing. In addressing social ills, the Programmes assist in keeping learners off the streets from substance abuse, crime, and violence. Learners are taught Self Defence in Karate Programmes to protect themselves from harm, not only learners but also Women, Youth, children and Men are taught Self Defence.

Mmabana Arts, Culture and Sport Foundation has been part of the launch of the MEC's Self Defence Programme which will be rolled out in all the Districts of the North West Province.

Learners with Disabilities are also given a chance to perform on platforms to an audience to display their skills and participate in competitions.

Women, Men and Youth are taught skills in sewing to become self-sustainable and earn an income to feed their families, thus curbing poverty.



15. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The following internal audit work was completed during the year under review:

Q1	Q2	Q3	Q4
Compensation of Employees (4 th Quarter of 2023/24) audit	Q1 Employee Costs audit	Revenue Management audit	Q2 Performance Information audit Q2-Q3 Employee Costs audit
2023/2024 AFS and APR audit	SCM contracts audit	Q2-Q3 Expenditure Management audit	2024/2025 Interim Financial Statements 2023/2024 Post Audit Action plan audit
Risk Management Audit Expenditure Management audit	Q1 Performance Information audit	NW Artist Funding audit (Conditional grant)	Policy Review audit Asset Management audit

The following were areas of concern:

- Delay in the finalization of policy reviews
- Delay in filling of vacancies
- Capacity to recover historical debt

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the entity.

Auditor's Report

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- Debt recovery
- Filling of vacancies
- Review and approval of policies

The Audit Committee concurs and accepts conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Mr. Hendrick M. Metsileng
Accounting Authority
On Behalf of the Audit Committee
Mmabana Arts, Culture and Sport Foundation
Date: 31 July 2025

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (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	Not applicable for the entity.
Developing and implementing a preferential procurement policy?	Yes	The entity has developed a Preferential Procurement Policy in-line with the Preferential Procurement Regulations of 2022.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable for the entity.
Developing criteria for entering into partnerships with the private sector?	No	Not applicable for the entity.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable for the entity.



Part D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

- The entity's HR environment is currently not at the level that it should be and the entity has done a diagnosis of the issues. In responding to the identified challenges, the entity has identified human resources practices at the entity as a strategic challenge that requires focused attention. The following are some of the challenges with in the human resources function:
 - There are still some unresolved issues relating to the Post Levels corrections which was implemented in December 2015. Despite the Board having taken a resolution on this matter, the matter continues being raised by some staff members.
 - There are a number of grievances which have not been fully resolved in the entity. This is as a result of the responsible line managers not having been trained in the area of conflict resolution and limited capacity within the HR division.
 - The entity's Organisational Culture is not compatible with the Vision and Mission of the entity. There needs to be some targeted and structured Organisational Culture interventions.
 - Labour peace as a result of long outstanding matters.
 - Role clarification at different levels.
- The focus areas and priorities for the period under review was mainly on the institutionalisation of the performance management culture, and to close all outstanding disciplinary and grievance cases.
- The entity recognises that there has been weaknesses in workforce planning. In responding to this, the entity is in the process of developing an organisational structure that will respond to the current strategy. This structure amongst others will be informed by a well consulted Service Delivery Model. Once the structure has been finalised, then a well-informed workforce plan will be developed. The development of the structure and the workforce plan will also be informed by the need to contain the compensation of employees without compromising quality.
- The current Performance Management Policy and Framework does not provide for the incentivisation of excellent performance, which in turn does not encourage staff members to strive to perform to the highest levels possible. The issue of staff development is another area that requires focus and attention. In this regard, the entity has undertaken to review its salary structure to introduce in the next financial a notch system which will allow for implementation of an envisaged performance management system.
- The entity is very thin in the area of Employee Wellness and social coaching. The Annual Staff Provincial Wellness Games was introduced as one of the tools to begin to address this area. However, we are mindful that the entity is in need of an inhouse Employee Wellness Unit to assist in addressing issues of employee wellness.
- The previous attempts at speeding-up the review and the development of new policies has not delivered the desired outcomes. The entity is currently in the process of revising such approach with the view to improve the situation.
- One of the highlights to mention is that the entity has had a reasonable stable labour relations environment as there were no incidents of work stoppages or industrial action. For the period under review, like the past three (3) in years entity has managed to conclude the substantive (salary negotiations) internally without a risk of a strike.
- One of the biggest challenges faced by the entity is that of an ageing workforce. However, the entity also sees this as an opportunity to refresh its workforce by employing youth which can be more innovative and agile. The entity is also experiencing capacity issues which makes it difficult to perform to the desired levels.
- The following are some of the future HR goals:
 - Institutionalisation of the Performance Management culture,
 - Review of the existing policies and the development of new policies.
 - Review of the legacy employee contracting principles.
 - Strengthen the area of staff skills development.
 - Training of managers on Labour Relations processes (Dealing with Discipline, Grievance Management and Conflict Resolution).

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel related expenditure

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Personnel Cost	125 252	79 547	64%	217	4 148

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	966	1.2%	2	483
Senior Management	3 949	4.94%	2	1 794
Professional qualified	13 207	16.6%	18	733
Skilled	15 896	19.98%	40	397
Semi-skilled	39 402	50%	83	475
Unskilled	6 127	6.43%	72	85
TOTAL	79 547	100	217	4 148

Performance Rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	0	0	0
Senior Management	0	0	0
Professional qualified	0	0	0
Skilled	0	0	0
Semi-skilled	0	0	0
Unskilled	0	0	0
TOTAL	0	0	0

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
Training Costs	0	0	0	0	0

NB: The training received was provided and paid for by Provincial Treasury.

Employment and vacancies

Programme/activity/objective	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Employment and vacancies	214	309	217	92	30

NB: The abnormally high number of vacancies is as a result of the positions of the Dr Kenneth Kaunda district structure not being operational.

Programme/activity/objective	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	2	2	0	2	100
Senior Management	3	11	2	9	82
Professional qualified	19	32	18	14	44
Skilled	41	139	40	99	71
Semi-skilled	85	35	83	-48	0
Unskilled	64	90	72	18	20
TOTAL	214	309	217	92	30

The Critical Vacant positions has again been revisited and prioritised for filling.

After the approval of the 2025-30 strategy the entity resolved to suspend filling of posts and prioritize the review of the organisational structure which is aligned with the new strategy. The vacant funded posts will be re-advertised and filled immediately after the approval of the structure.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	1	1	2
Senior Management	3	0	1	2
Professional qualified	19	0	1	18
Skilled	41	0	1	40
Semi-skilled	85	3	5	83
Unskilled	64	13	5	72
Total	214	17	14	217

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	4	30.76%
Resignation	2	15.38%
Dismissal	1	7.7%
Retirement	4	23.07%
Ill health	0	0%
Expiry of contract	2	15.38%
Other	1	7.7%
Total	14	100%

Labour Relations: Misconduct and disciplinary action

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

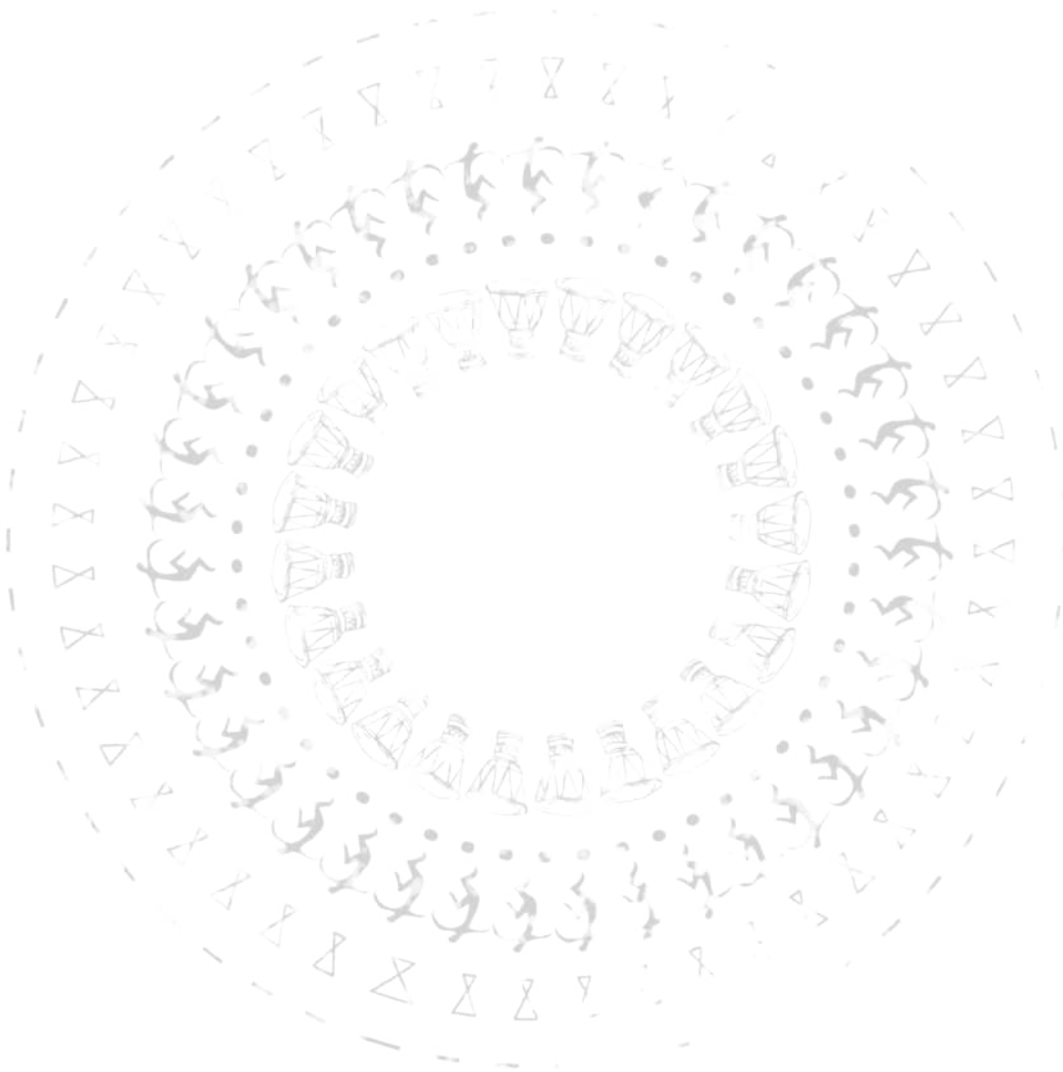
Equity Target and Employment Equity Status

Explanations: Provide explanations for major variances between target and current and attempts made by the public entity to address the variances.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	2	0	1	0	0	0	1
Professional qualified	11	4	0	2	0	0	0	0
Skilled	19	10	0	10	0	10	0	8
Semi-skilled	51	0	1	0	0	0	0	0
Unskilled	29	0	0	0	0	0	0	0
TOTAL	111	17	1	13	0	10	0	9

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	0	0	0	0	0
Senior Management	1	2	0	1	0	1	0	0
Professional qualified	7	4	0	1	1	0	0	2
Skilled	23	30	0	10	0	10	0	10
Semi-skilled	35	0	0	0	0	0	0	0
Unskilled	31	0	0	0	0	0	0	0
TOTAL	97	37	0	12	1	11	0	12

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	2	4	0
TOTAL	0	2	4	0





Part E

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	129 887 250	129 794 485
Adjustment to opening balance	0	92 765
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable ¹	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	129 887 250	129 887 250

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	0	81 013
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	11 752
Total	0	92 765

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

Description ²	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	0	81 013
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	0	81 013

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	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	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

2024/2025	2024/2025	2023/2024
	R'000	R'000
None	0	0

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

Disciplinary steps taken
No steps were taken against any employee

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	3 365 367	3 353 499
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	260 658	11 868
Less: Fruitless and wasteful expenditure recoverable ⁴	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	3 614 157	3 365 367

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	260 658	11 868
Total	260 658	11 868

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

Description ⁵	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	260 658	11 868
Fruitless and wasteful expenditure under investigation	0	0
Total	260 658	11 868

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	0	0

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

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

Disciplinary steps taken
No steps were taken against employees

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

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
Not applicable	0	0
Total	0	0

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
Not applicable	0	0
Total	0	0

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
Not applicable	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	369	27 315 636
Invoices paid within 30 days or agreed period	361	25 912 211
Invoices paid after 30 days or agreed period	8	1 403 425
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	0	0
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	0	0

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provision of urgent accommodation for mural painting projects artists in Johannesburg	Divas Quen Guest House	Deviation	Commitment Letter	6,6
Provision of services for preparation of annual financial statements	Maine Management and CA	Deviation	Appointment letter	1 500
Provision of Radio services for advertising Taung Cultural Calabash Auditions 2024	Mahikeng FM	Deviation	Commitment Letter	41,5
Provision of Radio services for advertising Mmabana end of year show case	Mahikeng FM	Deviation	Commitment Letter	9,6
Urgent Purchase of 3 x DR RSM garments for the Ultimate Talent Show	Bojana Trading	Deviation	Commitment Letter	8,45
Provision of Radio services for advertising Mmabana open day events 2025	Mahikeng FM	Deviation	M-PO001071	17,1
Provision of Radio services for advertising Mmabana open day events 2025	Rusty FM	Deviation	M-PO001085	11,5
Supply and Installation of Borehole in Lehurutshe	Sebaeng Construction CC	Deviation	M-PO0001068	80,86
Total				1 675,6

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Provision of 24 hours security services for Head Office	Vanguard Tactical Response	Expansion	MACSF/002/2019/Head Office	3 553	1 065	1 420
Provision of 24 hours security services for Mahikeng	Vanguard Tactical Response	Expansion	MACSF/005/2019/Mahikeng	7 079	2 121	2 829
Provision of 24 hours security services for Taung	White Leopard Security	Expansion	MACSF/003/2019/Taung	5 812	1 742	2 322
Provision of 24 hours security services for Tlhabane	White Leopard Security	Expansion	MACSF/006/2019/Tlhabane	2 423	726	968
Provision of 24 hours security services for Taung	Dephetogo Cleaning and Security	Expansion	MACSF/004/2019/Lehurutshe	4 072	1 220	1 627
Total				22 941	6 876	9 168



Part F

FINANCIAL INFORMATION

1. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to the North West Provincial Legislature on Mmabana Arts, Culture and Sport Foundation

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Mmabana Arts, Culture and Sport Foundation set out on pages **87 to 137**, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Mmabana Arts, Culture and Sport Foundation as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Services in kind

3. Services in kind were not accounted for as required by GRAP 23, *Revenue from non-exchange transactions*. The public entity received services in kind from other government departments but did not account for these services. I was unable to determine the full extent of the understatement of services in kind revenue and the related assets and expenses, as it was impracticable to do so.

Receivables from exchange transactions

4. The provision for impairment of trade receivables was not accounted for in accordance with GRAP 104, *Financial instruments*. The public entity was unable to substantiate the assumptions applied in providing for impairment of trade receivables. I was unable to determine the full extent of the provision for impairment, stated at R5 360 289, and related trade receivables, stated at R5 536 421, in note 3 to the financial statements, as it was impractical to do so.
5. In addition, I was unable to obtain sufficient appropriate audit evidence for trade receivables due to the status of accounting records. I was unable to confirm these trade receivables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to trade receivables stated at R5 536 421, as disclosed in note 3 to the financial statements.

Context for opinion

6. 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.
7. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

10. As disclosed in note 22 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

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 the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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 on page **82**, 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 information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

16. I selected the following material performance indicators related to Programme 1 (Management and administration), Programme 2 (Performing arts, visual arts and culture), and Programme 3 (Artistic sport), presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of job opportunities created.
- Number of learners enrolled through performing arts developmental programmes
- Number of learners enrolled through visual arts developmental programmes
- Number of participants enrolled through fitness programmes
- Number of athletes enrolled through artistic sport developmental programmes
- Number of artistic projects funded
- Number of artistic bursaries funded
- Number of platforms created for artists to display their capabilities
- Number of projects supported in the creative industry
- Number of learners trained through developmental programmes
- Number of learners/artists developed through enrichment initiatives
- Number of platforms created for artists to display their capabilities
- Number of learners trained through developmental programmes
- Number of learners/artists developed through enrichment initiatives
- Number of learners developed through accredited programmes
- Number of participants in health and fitness programmes
- Number of learners/athletes developed through enrichment initiatives
- Number of platforms created for athletes to display their capabilities
- Number of athletes who represents the entity at organised competition structure

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

19. I performed the procedures to report 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 following selected material indicators:

- Number of learners enrolled through performing arts developmental programmes
- Number of learners enrolled through visual arts developmental programmes
- Number of participants enrolled through fitness programmes
- Number of athletes enrolled through artistic sport developmental programmes
- Number of artistic projects funded
- Number of artistic bursaries funded
- Number of platforms created for artists to display their capabilities
- Number of projects supported in the creative industry
- Number of learners trained through developmental programmes
- Number of learners/artists developed through enrichment initiatives
- Number of platforms created for artists to display their capabilities
- Number of learners trained through developmental programmes
- Number of learners/artists developed through enrichment initiatives
- Number of learners developed through accredited programmes
- Number of participants in health and fitness programmes
- Number of learners/athletes developed through enrichment initiatives

- Number of platforms created for athletes to display their capabilities
- Number of athletes who represents the entity at organised competition structure

21. The material findings on the reported performance information for the selected material indicators are as follows:

Number of job opportunities created

22. An achievement of 521 was reported against a target of 555. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the underachievement on the target was more than reported.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements. This information should be considered in the context of the material findings on the reported performance information.

25. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages **31 to 44**.

Programme 1: Management and administration

Targets achieved: 30%		
Budget spent: 95%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of job opportunities created	555	521
Number of learners enrolled through performing arts developmental programmes	550	269
Number of learners enrolled through visual arts developmental programmes	220	87
Number of athletes enrolled through artistic sports developmental programmes	300	249

Programme 2: Performing arts, visual arts, and culture

Targets achieved: 50%

Budget spent 96%

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of artistic projects funded	28	23
Number of artistic bursaries funded	10	0
Number of learners trained through developmental programmes	550	237
Number of learners trained through developmental programmes	220	97
Number of learners developed through accredited programmes	90	77

Programme 3: Artistic sport

Targets achieved: 75%

Budget spent: 97%

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of athletes who represent the entity at organised competition structures	300	286

Material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 1 (Management and administration), Programme 2 (Performing arts, visual arts and culture), and Programme 3 (Artistic sport). Management did not correct the misstatements for Programme 1 (Management and administration) and I reported material findings in this regard. Management subsequently corrected all the misstatements for Programme 2 (Performing arts, visual arts and culture) and Programme 3 (Artistic sport), and I did not include any material findings in this report.

Report on compliance with legislation

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

28. 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.
29. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
30. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Revenue management

31. Effective and appropriate steps were not taken to collect all revenue due, as required by section 51(1)(b)(i) of the PFMA.

Consequence management

32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because proper and complete records were not maintained as evidence to support the investigations into irregular expenditure.
33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because proper and complete records were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

Annual financial statements, performance report and annual reports

34. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
35. Material misstatements of current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Other information in the annual report

36. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

37. 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.
38. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

40. 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.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
42. Management did not implement proper record keeping to ensure that information was submitted for audit in a timely manner and that complete, relevant and accurate information was accessible and available to support financial reporting and performance information.
43. Management did not adequately implement and monitor post audit action plans to address internal control deficiencies identified in the prior year, to prevent them from resulting in material misstatements in the financial statements and non-compliance with applicable laws and regulations.
44. The accounting authority did not fill vacancies in key senior management positions to enable a culture of accountability.

Auditor General

Rustenburg

31 July 2025



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the 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 public entity's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public 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 a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(4)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
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	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2

Legislation	Sections or regulations
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



2. ANNUAL FINANCIAL STATEMENTS



Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Arts, Culture and Sports Foundation
Members	Refilwe Moyo Jeanet Dibetso-Nyathi Ramadimetja Monene Ontlametse Ntsie Monko Bokaba Faith Losaba Halima Dambha HM Metsileng
Business address	103 Sekame Road Mmabatho 2735
Postal address	Private Bag X33 Mmabatho 2735
Controlling entity	North West Department of Arts, Culture, Sports and Recreation
Bankers	Standard Bank ABSA
Auditors	Auditor General South Africa



Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Index

	Page
Board Of Members' Responsibilities and Approval	89
Board Of Members' Report	90 - 91
Statement of Financial Position	92
Statement of Financial Performance	93
Statement of Changes in Net Assets	94
Cash Flow Statement	95
Statement of Comparison of Budget and Actual Amounts	96 - 97
Significant Accounting Policies	98 - 113
Notes to the Annual Financial Statements	114 - 137

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Board Of Members' Responsibilities and Approval

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

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

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

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

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

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

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

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

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on as part of the annual report.

The annual financial statements set out on pages 87 to 137, which have been prepared on the going concern basis, were approved by the board of members on 31 May 2025 and were signed on its behalf by:



HM Metsileng
Accounting Authority

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Board Of Members' Report

The members submit their report for the year ended 31 March 2025.

1. Incorporation

The entity is a PFMA Schedule 3C entity and derives its mandate from the Constitution of the Republic of South Africa 1996 Schedule 3 Part 3.

The entity is established in terms of Mmabana Arts, Culture and Sports Foundation Act No. 7 of 2000. The Act outlines an integrated interactive system for the purposes of developing the artistic and sporting talents of the people of the North West Province; to assist in the development, fostering and promotion of culture through development of individuals and groups of people interested in the arts, cultural and sporting activities.

2. Review of activities

Main business and operations

The entity is engaged in arts, culture and sports and operates principally in South Africa.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus (deficit) of R5,247,331 and that the entity's total assets exceed its liabilities by R35,794,484. Cash generated from operations has increased from R5,178,441 in the prior year to R6,779,644 in the current year. As per the Statement of Financial Performance, the entity has gone from a surplus (deficit) of R(1,749,452) in the prior year to a surplus (deficit) of R(4,796,224) in the current year.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year.

5. Board Of Members

The members of the entity during the year and to the date of this report are as follows:

Name	Nationality	Changes
Refilwe Moye	South African	Appointed 03 June 2024
Jeanet Dibetso-Nyathi	South African	Appointed 03 June 2024
Ramadimetja Monene	South African	Appointed 03 June 2024
Ontlametse Ntsie	South African	Appointed 03 June 2024
Monko Bokaba	South African	Appointed 03 June 2024
Faith Losaba	South African	Appointed 03 June 2024
Halima Dambha	South African	Appointed 03 June 2024
HM Metsileng	South African	Appointed 01 March 2025
Wessels Morweng - Accounting Authority	South African	Resigned 12 June 2024
Thabo Mabe - Ex Officio	South African	Appointed 13 June 2024, resigned 28 February 2025

Mmabana Arts, Culture & Sport Foundation

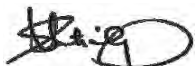
Annual Financial Statements for the year ended 31 March 2025

Board Of Members' Report

6. Auditors

Auditor General South Africa will continue in office for the next financial period.

The annual financial statements set out on pages **87 to 137**, which have been prepared on the going concern basis, were approved by the board of members on 31 May 2025 and were signed on its behalf by:



HM Metsileng Accounting Authority

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	3	1,005,411	1,355,737
Receivables from non-exchange transactions	4	18,937	168,434
Cash and cash equivalents	5	10,798,143	5,417,733
		11,822,491	6,941,904
Non-Current Assets			
Property, plant and equipment	6	49,684,541	47,560,065
Heritage assets	7	4,834,484	4,834,484
		54,519,025	52,394,549
Non-Current Assets		54,519,025	52,394,549
Current Assets		11,822,491	6,941,904
Total Assets		66,341,516	59,336,453
Liabilities			
Current Liabilities			
Payables from exchange transactions	8	7,584,095	6,816,788
Unspent conditional grants and receipts	9	9,163,106	1,837,011
Short-term employee benefits	11	13,799,831	12,987,880
		30,547,032	21,641,679
Non-Current Liabilities		-	-
Current Liabilities		30,547,032	21,641,679
Total Liabilities		30,547,032	21,641,679
Assets		66,341,516	59,336,453
Liabilities		(30,547,032)	(21,641,679)
Net Assets		35,794,484	37,694,774
Reserves			
Revaluation reserve	10	30,547,153	27,708,300
Accumulated surplus		5,247,331	9,986,474
Total Net Assets		35,794,484	37,694,774

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Rendering of services		1,148,690	1,142,397
Rental of facilities and equipment		236,010	197,425
Other income		-	276,598
Interest received - investment		1,409,528	2,574,485
Total revenue from exchange transactions		2,794,228	4,190,905
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	12	115,367,000	127,016,612
Project income - conditions met		853,904	5,514,494
Public contributions and donations		244,280	15,290
Total revenue from non-exchange transactions		116,465,184	132,546,396
		2,794,228	4,190,905
		116,465,184	132,546,396
Total revenue	13	119,259,412	136,737,301
Expenditure			
Employee related costs	14	(79,547,249)	(84,047,249)
Remuneration of board members		(750,293)	(346,292)
Depreciation and amortisation		(3,555,060)	(6,248,032)
Finance costs	15	(658)	(3,148)
Debt impairment	16	(503,224)	(174,915)
Impairment losses		(57,081)	-
Repairs and maintenance		(1,115,532)	(1,798,509)
General Expenses	17	(39,723,708)	(46,689,229)
Total expenditure		(125,252,805)	(139,307,374)
		-	-
Total revenue		119,259,412	136,737,301
Total expenditure		(125,252,805)	(139,307,374)
Operating deficit		(5,993,393)	(2,570,073)
Loss on disposal of assets and liabilities		-	(433,629)
Realisation of revaluation reserve		1,254,250	1,254,250
		1,254,250	820,621
Operating surplus/deficit		1,254,250	820,621
Deficit before taxation		(4,739,143)	(1,749,452)
Taxation		-	-
Deficit for the year		(4,739,143)	(1,749,452)

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2023	28,962,550	11,735,926	40,698,476
Changes in net assets			
Surplus for the year	-	(1,749,452)	(1,749,452)
Realisation of revaluation reserve	(1,254,250)	-	(1,254,250)
Total changes	(1,254,250)	(1,749,452)	(3,003,702)
Restated* Balance at 01 April 2024	27,708,300	9,986,474	37,694,774
Changes in net assets			
Surplus for the year	-	(4,739,143)	(4,739,143)
Revaluation surplus	4,093,103	-	4,093,103
Realisation of revaluation reserve	(1,254,250)	-	(1,254,250)
Total changes	2,838,853	(4,739,143)	(1,900,290)
Balance at 31 March 2025	30,547,153	5,247,331	35,794,484
Note(s)	10		

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1,139,428	1,185,216
Grants		123,696,999	134,050,612
Interest income		1,501,902	2,484,065
		126,338,329	137,719,893
Payments			
Employee costs		(79,486,094)	(82,688,531)
Suppliers		(40,071,933)	(49,849,773)
Finance costs		(658)	(3,148)
		(119,558,685)	(132,541,452)
Total receipts		126,338,329	137,719,893
Total payments		(119,558,685)	(132,541,452)
Net cash flows from operating activities	20	6,779,644	5,178,441
Cash flows from investing activities			
Property, plant and equipment	6	(1,399,234)	(3,285,520)
Net increase/(decrease) in cash and cash equivalents		5,380,410	1,892,921
Cash and cash equivalents at the beginning of the year		5,417,733	3,355,331
Cash and cash equivalents at the end of the year	5	10,798,143	5,417,733

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Rendering of services	800,000	-	800,000	1,148,690	348,690	25.1
Rental of facilities and equipment	178,000	-	178,000	236,010	58,010	25.2
Other income	131,000	-	131,000	-	(131,000)	25.3
Interest received - investment	1,350,000	-	1,350,000	1,409,528	59,528	25.4
Total revenue from exchange transactions	2,459,000	-	2,459,000	2,794,228	335,228	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	120,367,000	(5,000,000)	115,367,000	115,367,000	-	
Project income - conditions met	4,184,000	3,996,000	8,180,000	853,904	(7,326,096)	25.5
Public contributions and donations	-	-	-	244,280	244,280	

Total revenue from non-exchange transactions	124,551,000	(1,004,000)	123,547,000	116,465,184	(7,081,816)	
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'Total revenue from exchange transactions'	2,459,000	-	2,459,000	2,794,228	335,228	
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'Total revenue from non-exchange transactions'	124,551,000	(1,004,000)	123,547,000	116,465,184	(7,081,816)	
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Total revenue	127,010,000	(1,004,000)	126,006,000	119,259,412	(6,746,588)	
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Expenditure

Employee related costs	(85,468,000)	5,000,000	(80,468,000)	(79,547,249)	920,751	25.13
Remuneration of board members	-	-	-	(750,293)	(750,293)	25.7
Depreciation and amortisation	-	-	-	(3,555,060)	(3,555,060)	
Finance costs	-	-	-	(658)	(658)	25.11
Debt Impairment	-	-	-	(503,224)	(503,224)	25.9
Impairment losses	-	-	-	(57,081)	(57,081)	25.14
Repairs and maintenance	(2,500,000)	(3,996,000)	(6,496,000)	(1,115,532)	5,380,468	25.8
General Expenses	(39,042,000)	-	(39,042,000)	(39,723,708)	(681,708)	25.6

Total expenditure	(127,010,000)	1,004,000	(126,006,000)	(125,252,805)	753,195	
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	127,010,000	(1,004,000)	126,006,000	119,259,412	(6,746,588)	
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	(127,010,000)	1,004,000	(126,006,000)	(125,252,805)	753,195	
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Operating deficit	-	-	-	(5,993,393)	(5,993,393)	
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Realisation of revaluation reserve	-	-	-	1,254,250	1,254,250	25.12
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	-	-	-	(5,993,393)	(5,993,393)	
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	-	-	-	1,254,250	1,254,250	
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Deficit before taxation	-	-	-	(4,739,143)	(4,739,143)	
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Surplus before taxation	-	-	-	(4,739,143)	(4,739,143)	
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Taxation	-	-	-	-	-	
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Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(4,739,143)	(4,739,143)	

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

Figures in Rand	Note(s)	2025	2024
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1. Presentation of Annual Financial Statements

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

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

1.2 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

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

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including inflation and interest.

Provisions

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

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Useful lives of property, plant and equipment, and other assets

The entity's management determines the estimated useful lives and related depreciation / amortisation charges for property, plant and equipment, and other assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the entity.

1.4 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.4 Property, plant and equipment (continued)

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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

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

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	50 Years
Furniture and fixtures	Straight-line	5 - 25 Years
Motor vehicles	Straight-line	7 - 20 Years
Computer equipment	Straight-line	5 - 20 Years
Other equipment	Straight-line	5 - 25 Years
Sundry assets	Straight-line	5 - 20 Years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate, unless expectations differ from the previous estimates.

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.4 Property, plant and equipment (continued)

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.5 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.

The entity classifies heritage assets as follows;

- (a) historical monuments

Recognition

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

If the entity holds assets that might be regarded as heritage assets but which, on initial recognition, do not meet the recognition criteria of a heritage asset because it cannot be reliably measured, information on such an asset is disclosed in Note 7.

Initial measurement

Heritage assets are measured at cost.

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

Subsequent measurement

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

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

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

Impairment

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

The useful lives of items of heritage assets have been assessed as follows:

Item	Average useful life
Historical monuments	Indefinite

Transfers

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.5 Heritage assets (continued)

Derecognition

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

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

1.6 Financial instruments

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

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

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

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

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

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

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

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

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

A financial asset is:

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.6 Financial instruments (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.6 Financial instruments (continued)

Classification

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

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

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Unspent conditional grants and receipts	Financial liability measured at amortised cost

Initial recognition

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

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus, in the case of financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value
- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Derecognition

Financial assets

Mmabana derecognises financial assets using trade date accounting.

Mmabana derecognises a financial asset only when:

The contractual rights to the cash flows from the financial asset expire, are settled or waived; Mmabana transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or Mmabana, 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.

In this case, Mmabana:

- derecognise the asset; and
- recognise separately any rights and obligations created or retained in the transfer.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.6 Financial instruments (continued)

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

Mmabana removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

Any liabilities that are waived, forgiven or assumed by another party by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when Mmabana currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.7 Leases

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

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

Finance leases - lessor

The entity recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the entity's net investment in the finance lease.

Finance leases - lessee

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.7 Leases (continued)

Operating leases - lessor

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

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

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

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Employee benefits

Identification

Employee benefits

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

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.8 Employee benefits (continued)

Short-term employee benefits

Recognition and measurement

All short-term employee benefits

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

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

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

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

(a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and

(b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

1.9 Provisions and contingencies

Provisions are recognised when:

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

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.9 Provisions and contingencies (continued)

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

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

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

The entity discloses a contingent liability where:

- It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- It is not probable that an outflow of resources will be required to settle an obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to enable users to determine the risk involved.

1.10 Commitments

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

Capital commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date.
- Items are classified as commitments where the entity commits itself to future transactions that will normally result in the outflow of resources.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.

1.11 Revenue from exchange transactions

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

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

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

Measurement

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.11 Revenue from exchange transactions (continued)

Rendering of services

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

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

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

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

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.12 Revenue from non-exchange transactions

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

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

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.12 Revenue from non-exchange transactions (continued)

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

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

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

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

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

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

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

Measurement

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

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

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

Transfers

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Services in-kind

The entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue 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.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

1.13 Accounting by principals and agents

Identification

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.13 Accounting by principals and agents (continued)

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.14 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior year period have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior year periods.

1.15 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.

1.16 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 practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.16 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial 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 also 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.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and 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.

1.17 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The entity has centers in the North-West province however management has determined the operations as one of a single segment because decision making and all operating activities affecting revenue and expenditure are determined, directed and implemented centrally as such no geographical or business segments are recognised.

1.18 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Significant Accounting Policies

1.19 Related parties

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

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

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

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

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

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

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

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

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

1.20 Events after reporting date

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

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

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

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

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	01 April 2023	The impact of the adoption is not material.

2.2 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

3. Receivables from exchange transactions

Trade debtors	178,872	309,185
Accrued income	2,980	95,354
Other receivables	823,559	951,198
	1,005,411	1,355,737

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade and other receivables past due but not impaired

Trade and other receivables which are more than 30 days outstanding are considered past due. All receivables are individually assessed for impairment.

The entity has assessed these balances for recoverability and believes that they are still of good credit quality.

The ageing of amounts past due but not impaired is as follows:

30 days	88,017	303,170
60 days	-	8,430
60 days	98,925	420
More than 90 days	-	-

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

3. Receivables from exchange transactions (continued)

Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of 5,360,289 (2024: 4,857,065) were impaired and provided for.

The amount of the provision was (5,360,289) as of 31 March 2025 (2024: (4,857,065)).

The ageing of these receivables is as follows:

30 days	-	-
60 days	-	-
60 days	-	-
More than 90 days	5,360,289	4,857,065

The reconciliation of provision for impairment of trade and other receivables is as follows:

Opening balance	4,857,065	4,682,150
Increase/(decrease) in provision for doubtful debts	503,224	174,915
	5,360,289	4,857,065

The gross amount, provision for doubtful debts, and other affected receivables at the gross amount, after re-allocations such as debtors with credit balances were as follows:

Trade receivables before impairment	5,536,421	5,160,930
Provision for impairment	(5,360,289)	(4,857,065)
	176,132	303,865

4. Receivables from non-exchange transactions

Government grants and subsidies	-	150,000
Staff debt	18,937	18,434
	18,937	168,434

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4,421	381
Bank balances	415,920	2,279,982
Short-term deposits	10,377,802	3,137,370
	10,798,143	5,417,733

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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5. Cash and cash equivalents (continued)

Cash and cash equivalents pledged as security

Total financial assets pledged as collateral for contingent liabilities [IRENE NALEDI MODISE]	1,195,152	-
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The foundation transferred an amount of R1,160,360.70 to a trust fund account managed by Meyer, Van Sitterk & Kropman. This transfer was made in compliance with sections 145(7) and (8) of the Labour Relations Act 66 of 1995, which stipulate that the institution of review proceedings does not suspend the operation of an arbitration award unless the applicant provides security to the satisfaction of the Court. The security must be equivalent to 24 months' remuneration in cases of reinstatement or re-employment orders, or the amount of compensation awarded in cases of compensation orders. The security is explained further in Note 28: Contingent Liabilities.

The trust fund account accrued interest, in accordance with Section 86(4) of the Legal Practice Act 28 of 2014 and Rule 54.14.16.4 of the Legal Practice Council Rules, 5% of the interest accrued will be paid over to the Legal Practitioners' Fidelity Fund. As a result, the balance of the trust fund account as at 31 March 2025 is R1,195,152. These funds are held in trust pending the finalization of the review application and are not available for general operational use by the entity.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2025	31 March 2024	31 March 2023	31 March 2025	31 March 2024	31 March 2023
STANDARD BANK - Cheque 030877164	393,661	1,688,131	307,584	392,822	1,702,046	316,069
STANDARD BANK - Savings 032015836	23,098	577,935	215,546	23,098	577,935	215,546
STANDARD BANK - Fixed Deposit - 238644774	8,307,449	170,953	170,953	8,307,449	170,953	170,953
STANDARD BANK - Call account - 238644774	170,953	2,313,071	2,045,244	170,953	2,313,071	2,045,244
ABSA BANK - Investment 2063007279	704,248	653,346	607,108	704,248	653,346	607,108
Petty Cash	4,422	382	411	4,422	382	411
FNB - Trust Account - 63124802033	1,195,152	-	-	1,195,152	-	-
Total	10,798,983	5,403,818	3,346,846	10,798,144	5,417,733	3,355,331

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment

	2025		2024	
	Cost / Valuation	Accumulated depreciation and impairment	Cost / Valuation	Accumulated depreciation and impairment
Land	352,440	-	219,800	219,800
Buildings	42,584,945	-	42,534,000	(3,470,656)
Furniture and fixtures	2,186,105	(1,415,069)	2,196,858	(1,240,785)
Motor vehicles	1,869,551	(1,115,820)	1,869,551	(897,459)
Computer equipment	1,786,398	(1,008,815)	1,828,325	(783,122)
Buildings - Work in Progress	-	-	1,364,025	-
Sundry assets	239,478	(139,572)	267,860	(129,109)
Other equipment	10,022,097	(5,676,197)	8,517,253	(4,716,476)
Total	59,041,014	(9,356,473)	58,797,672	(11,237,607)
				47,560,065

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Transfers received	Revaluations	Depreciation	Impairment loss	Total
Land	219,800	-	-	132,640	-	-	352,440
Buildings	39,063,344	-	1,364,025	3,960,463	(1,802,887)	-	42,584,945
Furniture and fixtures	956,073	-	-	-	(183,739)	(2,298)	770,036
Motor vehicles	972,092	-	-	-	(218,361)	-	753,731
Computer equipment	1,045,203	-	-	-	(257,975)	(9,645)	777,583
Buildings - Work in Progress	1,364,025	-	(1,364,025)	-	-	-	-
Sundry assets	138,751	-	-	-	(35,176)	(3,669)	99,906
Other equipment	3,800,777	1,643,514	-	-	(1,056,922)	(41,469)	4,345,900
	47,560,065	1,643,514	-	4,093,103	(3,555,060)	(57,081)	49,684,541

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	219,800	-	-	-	219,800
Buildings	40,761,750	-	-	(1,698,406)	39,063,344
Furniture and fixtures	733,762	381,982	(23,407)	(136,264)	956,073
Motor vehicles	1,388,949	-	(188,569)	(228,288)	972,092
Computer equipment	1,254,237	237,031	(116,175)	(329,890)	1,045,203
Buildings - Work in Progress	210,000	1,154,025	-	-	1,364,025
Sundry assets	100,567	74,804	(2,911)	(33,709)	138,751
Other equipment	6,271,851	1,375,152	(24,751)	(3,821,475)	3,800,777
	50,940,916	3,222,994	(355,813)	(5,248,032)	47,560,065

Pledged as security

Property, plant and equipment were not pledged as security.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
6. Property, plant and equipment (continued)		
Repairs and Maintenance relating to Property plant and equipment is as follows:		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Buildings	792,112	1,417,625
Furniture and fixtures	28,929	2,332
Motor vehicles	74,994	171,436
Sundry assets	98,747	162,443
Other equipment	120,751	44,673
	1,115,533	1,798,509

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

7. Heritage assets

	2025		2024	
	Cost / Valuation	Accumulated Carrying value impairment losses	Cost / Valuation	Accumulated Carrying value impairment losses
Historical monuments	4,834,484	-	4,834,484	-

Reconciliation of heritage assets 2025

	Opening balance	Total
Historical monuments	4,834,484	4,834,484

Reconciliation of heritage assets 2024

	Opening balance	Total
Historical monuments	4,834,484	4,834,484

Age and/or condition of heritage assets

Historical monuments comprise a women's monument statue situated in the Zeerust area. Construction began in the 2016/2017 financial year. The monument was completed in the 2019/2020 financial year.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
8. Payables from exchange transactions		
Trade payables	910,592	2,290,815
Other creditors	4,485,465	3,734,432
Accrued expenses	2,188,038	791,541
	7,584,095	6,816,788

9. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts		
National lottery board	1,300,000	1,300,000
Building development project - Dutch	367,505	367,505
Calabash - NW Department of Sports, Arts and Culture	3,499,602	169,506
Refurbishment - NW Department of Sports, Arts and Culture	3,995,999	-
	9,163,106	1,837,011

Movement during the year

Balance at the beginning of the year	1,837,011	1,667,505
Additions during the year	8,179,999	5,684,000
Income recognition during the year	(853,904)	(5,514,494)
	9,163,106	1,837,011

Calabash - North West Department of Arts, Culture, Sports and Recreation

Balance at the beginning of the year	169,506	-
Grants allocated in the current year	4,184,000	4,184,000
Transfers to revenue	(853,904)	(4,014,494)
Surrendered to the department / donor	-	-
	-	-
Balance at the end of the year	3,499,602	169,506

The grant is used for activities relating to the hosting of the Taung Cultural Calabash.
(Agreement signed on 23 March 2021, no required completion date noted).

Under the agreement, the money paid to Mmabana must be used for a specific purpose.
The North West Department of Arts, Culture, Sports and Recreation has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed. Unspent funds no longer required are to be paid back to the department.

Calabash - National Department of Sports, Arts and Culture

Grants allocated in the current year	-	1,500,000
Transfers to revenue	-	(1,500,000)
Surrendered to the department / donor	-	-
	-	-
Balance at the end of the year	-	-

The grant is used for activities relating to the hosting of the Taung Cultural Calabash.
(Agreement signed on 17 February 2022, and will remain in effect until 15 August 2024.)

Under the agreement, the money paid to Mmabana must be used for a specific purpose.
The National Department of Sports, Arts and Culture has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed. Unspent funds no longer required are to be paid back to the department.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

9. Unspent conditional grants and receipts (continued)

National Lotteries Board

Balance at the beginning of the year	1,300,000	1,300,000
Grants allocated in the current year	-	-
Transfers to revenue	-	-
Surrendered to the department / donor	-	-
Balance at the end of the year	1,300,000	1,300,000

The grant was used for the erection of the women monument statue.
(Agreement signed on 11 February 2014, no required completion date noted).

Under the agreement, the money paid to Mmabana must be used for a specific purpose.
The National Lottery Distribution Trust Fund (NLDTF) has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed. Unspent funds no longer required are to be paid back to the NLDTF.

Building Development Project – Dutch

Balance at the beginning of the year	367,505	367,505
Grants allocated in the current year	-	-
Transfers to revenue	-	-
Surrendered to the department / donor	-	-
Balance at the end of the year	367,505	367,505

Under the agreement, the money paid to Mmabana must be used for a specific purpose.

Refurbishment - NW Department of Sports, Arts and Culture

Balance at the beginning of the year	-	-
Grants allocated in the current year	3,995,999	-
Transfers to revenue	-	-
Surrendered to the department / donor	-	-
Balance at the end of the year	3,995,999	-

The Grant will be used for the refurbishment of MACSF facilities.

Under the agreement, the money paid to Mmabana must be used for a specific purpose.
The North West Department of Arts, Culture, Sports and Recreation has the right to withhold or reclaim the funds from the entity if the money is not used in the manner agreed. Unspent funds no longer required are to be paid back to the department.

10. Revaluation reserve

Opening balance	27,708,300	28,962,550
Revaluation surplus	4,093,103	-
Realisation of revaluation reserve	(1,254,250)	(1,254,250)
	30,547,153	27,708,300

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

11. Short-term employee benefits

Reconciliation of short-term employee benefits - 2025

	Opening Balance	Movements	Total
Leave accrual	11,915,168	906,118	12,821,286
Bonus provision	1,072,712	(94,167)	978,545
	12,987,880	811,951	13,799,831

Reconciliation of short-term employee benefits - 2024

	Opening Balance	Movements	Total
Leave accrual	10,289,653	1,625,515	11,915,168
Bonus provision	976,073	96,639	1,072,712
	11,265,726	1,722,154	12,987,880

12. Government grants & subsidies

Operating grants

North West Department of Arts, Culture, Sports and Recreation	115,367,000	127,016,612
	115,367,000	127,016,612

Grants received from the North West Department of Arts, Culture, Sports and Recreation comprise the following:

Operational grants

Operational grant	107,644,000	113,844,000
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Restricted grants

Artist Funding	4,723,000	6,723,000
Talent Search	1,000,000	2,000,000
Arts, Culture and Sport Expo	-	2,000,000
Makhanda Funding	1,000,000	1,500,000
RUMBA in the Jungle	1,000,000	1,000,000

13. Revenue

Rendering of services	1,148,690	1,142,397
Rental of facilities and equipment	236,010	197,425
Other income	-	276,598
Interest received - investment	1,409,528	2,574,485
Government grants & subsidies	115,367,000	127,016,612
Project income - conditions met	853,904	5,514,494
Public contributions and donations	244,280	15,290
	119,259,412	136,737,301

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	1,148,690	1,142,397
Rental of facilities and equipment	236,010	197,425
Other income	-	276,598
Interest received - investment	1,409,528	2,574,485
	2,794,228	4,190,905

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

13. Revenue (continued)

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies	115,367,000	127,016,612
Project income - conditions met	853,904	5,514,494
Public contributions and donations	244,280	15,290
	116,465,184	132,546,396

14. Employee related costs

Basic	51,268,317	50,640,076
Medical aid - company contributions	3,964,973	3,623,706
Unemployment Insurance Fund	344,929	346,037
Compensation for Occupational Injuries and Diseases contributions	278,721	276,437
Skills Development Levy	662,624	729,466
Leave pay provision charge	1,957,634	2,713,935
Group life contribution	-	4,436,805
Pension fund contribution	5,103,719	4,829,318
Overtime payments	519,682	440,297
13th Cheques	4,014,278	4,274,817
Acting allowances	1,921,149	1,266,559
Car allowance	190,000	378,241
Housing benefits and allowances	4,696,859	4,380,818
Other allowances	4,624,364	5,710,737
	79,547,249	84,047,249

15. Finance costs

Trade and other payables	658	3,148
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16. Debt impairment

Debt impairment	503,224	174,915
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Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
17. General expenses		
Accommodation	3,106,162	3,439,521
Advertising	357,132	413,254
Auditors remuneration	3,162,002	2,566,244
Bank charges	122,365	119,664
Cleaning	298,326	204,111
Rentals	1,169,478	1,318,107
Computer expenses	869,224	1,166,444
Consulting and professional fees	1,913,388	2,669,114
Consumables	479,284	223,065
Trophies and prize money	123,756	5,232
Food, refreshments and meetings	1,040,588	372,529
Fines and penalties	600	4,323
Productions, artistic and costumes	11,081,874	14,280,874
Subsistence and travel	734,841	3,145,108
Car hire	56,376	144,635
Insurance	103,284	96,153
Motor vehicle expenses	776,078	778,860
Printing and stationery	390,526	464,456
Protective clothing	139,159	184,260
Security cost	9,168,079	9,741,696
Subscriptions	369,332	431,129
Staff training	59,619	139,483
Travel expenses	831,017	878,546
Utilities	2,182,418	1,862,544
Communications	834,035	934,512
Affiliation, registration and examination fee	206,317	158,832
Student bursaries	148,448	946,533
	39,723,708	46,689,229
18. Auditors' remuneration		
Fees	3,162,002	2,566,244
19. Operating lease		
Operating lease as lessee		
Minimum lease payments due		
- Within one year	613,696	114,750
- In second to fifth year inclusive	971,685	-
- Later than five year	-	-
	1,585,381	114,750

Operating lease payments represent rentals payable by the entity for certain of its office properties and printers. Leases are negotiated for an average term of three to five years and rentals are fixed for an average of three years. There were no renewal purchase options. No contingent rent is payable.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
20. Cash generated from operations		
Deficit	(4,739,143)	(1,749,452)
Adjustments for:		
Depreciation and amortisation	3,555,060	6,248,032
Gain on sale of assets and liabilities	-	433,629
Realisation of revaluation surplus	(1,254,250)	(1,254,250)
Debt impairment	503,224	174,915
Movements in short term employee benefits	811,951	1,722,154
Public donations and contributions	(244,280)	(15,290)
Impairment	57,081	-
Changes in working capital:		
Receivables from exchange transactions	(152,898)	(521,624)
Receivables from non-exchange transactions	149,497	1,332,856
Payables from exchange transactions	767,307	(1,362,035)
Unspent conditional grants and receipts	7,326,095	169,506
	6,779,644	5,178,441

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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21. Related parties

Mmabana Arts, Culture and Sports Foundation is 100% controlled by the government as represented by the North West Department of Arts, Culture, Sports and Recreation. Mmabana Arts, Culture and Sports Foundation is a Schedule 3C public entity in terms of the Public Finance Management Act. During the financial year, Mmabana Arts, Culture and Sports Foundation received grant income of R116,220,904 (2024: R132,531,106). No amounts were due from the Department as at 31 March 2025. Related party relationships exist. However, all purchasing and selling transactions were concluded at arm's length. Mmabana Arts, Culture and Sports Foundation transacted with the following entities within the ambit of the national sphere of government.

Relationships

Members	Refer to members' report note 5
Controlling entity	North West Department of Arts, Culture, Sports and Recreation

Klein Marico, Noyons, Donkervleit Recreation centres, Mmabana Arts, Cultural & Sports Foundation, North West Development Corporation, Provincial Heritage Resource Agency, National Department of Sports, Arts and Culture, National Arts Council, All provincial Departments.

Related party transactions with the board and executive management are disclosed below in Note 21.

Remuneration of management

Management class: Board members

2025

Name	Board sitting fees	Reimbursive travel claims	Total
Refilwe Moye (Board Chairperson)	130,200	61,757	191,957
Jeanet Dibetso-Nyathi	84,000	27,943	111,943
Ramadimetja Monene	96,000	16,617	112,617
Ontlametse Ntsie	110,000	34,953	144,953
Monko Bokaba	4,000	1,590	5,590
Faith Losaba	100,000	23,233	123,233
Halima Dambha	60,000	-	60,000
	584,200	166,093	750,293

2024

Name	Board sitting fees	Reimbursive travel claims	Total
Karabo Magagane (Board Chairperson)	32,200	8,379	40,579
Ontlametse Ntsie	50,000	6,603	56,603
Kagiso Seleke	18,000	1,726	19,726
Mariann Maartens	32,000	-	32,000
Shadrack Bokaba	48,000	-	48,000
Mercia Ramagaga	12,000	5,026	17,026
Mothagodi Keeme-Gaobepe	40,000	-	40,000
Bukeka Mahlutshana	28,000	-	28,000
Tshepo Mothoa	34,000	3,575	37,575
Ikotlhaeng Khesa	20,784	-	20,784
Bokang Modise	6,000	-	6,000
	320,984	25,309	346,293

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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21. Related parties (continued)

Management class: Executive management

2025

Name	Annual Remuneration	Contributions to group life, Medical Aid, Pension Fund, SDL And UIF	Housing Allowance, Vehicle Allowance, Other Allowances and Gratuities	Acting Allowances	Total
Mr. Ntenjwa Nkosinathi (Acting Chief Financial Officer)	-	-	-	319,749	319,749
Mrs. Naidoo Lydia (Acting Regional Director: Bojanala)	-	-	-	93,405	93,405
Mr. Thebe George (Acting Regional Director Lehurutshe)	-	-	-	141,577	141,577
Mr. Thabo Mabe (Acting Chief Executive officer)	-	-	-	99,934	99,934
Ms. Pumla Mphahlwa (Acting Performing Arts Director)	-	-	-	352,251	352,251
Mr. HM Metsileng (Acting Chief Executive officer)	-	-	-	23,867	23,867
Mr. Neo Jobeta (Acting Director: Performing Arts)	-	-	-	292,334	292,334
Ms. Vicky Mathibe (Acting Regional Director Lehurutshe)	-	-	-	30,054	30,054
Mr. Paul Malatsi (Chief Financial Officer) & (Acting Chief Executive Officer)	67,672	4,283	324,167	-	396,122
Mr. Christopher Seome (Legal and Board Secretarial)	186,467	5,845	309,499	-	501,811
Mr. Sipho Nkese (Senior Manager: Corporate Services)	701,921	14,317	553,250	-	1,269,488
Ms. Kesolofetse Mbali (Regional Director: Mafikeng)	701,921	13,273	553,250	-	1,268,444
Mr. Wessels Morweng (Acting Chief Executive officer)	-	1,404	-	90,314	91,718
	1,657,981	39,122	1,740,166	1,443,485	4,880,754

2024

Name	Annual Remuneration	Contributions to group life, Medical Aid, Pension Fund, SDL And UIF	Housing Allowance, Vehicle Allowance, Other Allowances and Gratuities	Acting Allowances	Total
Mr. Ntenjwa Nkosinathi (Acting Chief Financial Officer)	-	-	-	14,821	14,821
Mrs. Naidoo Lydia (Acting Regional Director: Bojanala)	-	-	-	92,770	92,770
Mr. Thebe George (Acting Regional Director Lehurutshe)	-	-	-	151,572	151,572
Mr. Matane Matane (Acting Regional Director: Taung)	-	-	-	288,877	288,877

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand				2025	2024
21. Related parties (continued)					
Ms.Pumla Mphahlwa (Acting Performing Arts Director)	-	-	-	110,997	110,997
Ms. Irene Mosala (Acting Regional Director: Taung)	-	-	-	16,054	16,054
Mr.Neo Jobeta (Acting Director: Performing Arts)	-	-	-	150,718	150,718
Mr. Paul Malatsi (Chief Financial Officer; Acting Chief Executive Officer)	777,090	16,327	681,736	18,420	1,493,573
Mr.Christopher Seome (Legal and Board Secretarial)	675,879	14,346	566,981	-	1,257,206
Mr. Sipho Nkese (Senior Manager: Corporate Services)	675,879	14,779	633,526	-	1,324,184
Mr.Tshepiso Konopi (Director: Performing Arts)	282,866	10,957	706,527	-	1,000,350
Mr. Lucas Molema (Regional Director: Taung)	282,014	11,529	792,331	-	1,085,874
Ms. Kesolofetse Mbali (Regional Director: Mafikeng)	675,879	13,556	545,198	-	1,234,633
Mr. Wessels Morweng (Acting Chief Executive officer)	-	6,417	-	429,098	435,515
	3,369,607	87,911	3,926,299	1,273,327	8,657,144

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

22. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment - Buildings		39,708,804	718,565	40,427,369
Property, plant and equipment - Furniture and fixtures		733,763	222,310	956,073
Property, plant and equipment - Motor vehicles		919,454	52,638	972,092
Property, plant and equipment - Computer equipment		871,555	173,648	1,045,203
Property, plant and equipment - Sundry assets		92,658	46,093	138,751
Decrease in Property, plant and equipment - Other equipment		2,537,392	1,263,386	3,800,777
Payables from exchange transactions - Other creditors		(3,535,946)	(198,486)	(3,734,432)
Accumulated surplus		(7,103,336)	(4,630,040)	(11,733,376)
		34,224,344	(2,351,886)	31,872,457

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Rendering of services		(1,188,602)	-	46,205	(1,142,397)
Rental of facilities and equipment		(151,220)	-	(46,205)	(197,425)
Repairs and maintenance		2,517,074	(718,565)	-	1,798,509
Employee related costs - Basic		50,581,371	58,704	-	50,640,075
Depreciation and amortisation		3,236,285	3,011,748	-	6,248,033
Surplus for the year		54,994,908	2,351,887	-	57,346,795

22.01 Contingencies

In the prior year, estimated contingent amounts relating to the ongoing legal proceedings between the foundation and Irene Naledi Modise were understated by R1 689 097. The prior year contingent liability balance has been restated accordingly.

22.02 Repairs and maintenance

During the 2023/2024 audit, it was noted that an amount related to the acquisition or improvement of asset was incorrectly recorded under Repairs and Maintenance, however this amount should have been capitalized as Property, Plant and Equipment. The stated misclassification has therefore resulted in an overstatement in Repairs and Maintenance and an understatement of Property, Plant and Equipment. These errors have been corrected and the opening balances were adjusted with the effect thereof as follows:

Statement of Financial Position

Increase in Property, plant and equipment - Buildings - 718,565

Statement of Financial Performance

Decrease in Repairs and maintenance - (718,565)

21.03 Recognition of backpay and correction of employee related costs

In the current financial year, employees received backpay for remuneration related to prior periods amounting to R198,486. These errors have been corrected and the opening balances were adjusted with the effect thereof as follows:

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
22. Prior-year adjustments (continued)		
Statement of Financial Position		
Decrease in Accumulated surplus	-	139,782
Increase in Payables from exchange transactions - Other creditors	-	(198,486)
Statement of Financial Performance		
Increase in Employee related costs - Basic	-	58,704
	-	-

22.04 Reclassification of revenue

A full population classification review identified that transactions previously recorded as revenue from services were, in substance, related to venue hire and rental income. As a result, the account was reclassified to more accurately reflect the nature of the transactions. The effect of the reclassification thereof is as follows:

Statement of Financial Performance		
Decrease in Rendering of services	-	46,205
Increase in Rental of facilities and equipment	-	(46,205)
	-	-

22.05 Property plant and equipment

During the financial year we performed a 100% verification of assets and upon verification we identified that there assets that we had to reinstate into the entity's books due to assets being identified in the current year however being disposed off in the prior year and re-estimation the useful lives of assets that have been fully depreciated.

Statement of Financial Position		
Increase in Property, plant and equipment - Furniture and fixtures	-	222,310
Increase in Property, plant and equipment - Motor vehicles	-	52,638
Increase in Property, plant and equipment - Computer equipment	-	173,648
Increase in Property, plant and equipment - Sundry assets	-	46,093
Decrease in Property, plant and equipment - Other equipment	-	1,263,386
Increase in Accumulated surplus	-	(4,769,822)
Statement of Financial Performance		
Decrease in Depreciation and amortisation	-	3,011,747
	-	-

22.06 Irregular expenditure

In the prior year, irregular expenditure incurred, amounting to R81,013 was omitted from the disclosure. As a result, the extent of irregular expenditure incurred in the prior year has been restated to R92,765

23. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. Risk management is carried out by a finance department under policies approved by the accounting authority.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

23. Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity manages cashflows, budgets and monthly management accounts.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	7,584,095	-	-	-
Unspent conditional grants and receipts	9,163,106	-	-	-
	16,747,201	-	-	-
2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	6,816,788	-	-	-
Unspent conditional grants and receipts	1,837,011	-	-	-
	8,653,799	-	-	-

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Credit risk is mitigated by the fact that the entity only deposits cash surpluses with major banks of high credit standing. The maximum exposure to credit risk at the reporting date is the bank balances as disclosed in the Statement of Financial Position.

Credit risk is mitigated through management's assessment of the credit quality of debtors, taking into account their financial position, payment history and the perception of the payment profile.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Trade and other receivables before impairment	5,536,421	5,160,930
Government grants and subsidies	-	150,000
Staff loans	18,937	18,434
Other receivables	823,559	951,198
Cash and cash equivalents	10,798,143	5,417,733

The balance of cash and cash equivalents includes actual cash on hand of R4,421 on 31 March 2025 (2024: R381).

Market risk

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand

23. Risk management (continued)

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

The entity's interest rate risk arises from short term deposits. Short term deposits issued at variable rates expose the entity to cash flow interest rate risk. On the other hand, short term deposits issued at fixed rates expose the entity to fair value interest rate risk. As at 31 March 2025 and 31 March 2024, the entity's deposits and bank balances at fixed rate were denominated in the Rand.

Bank

STANDARD BANK - Cheque - 030877164 (BB-)	393,661	1,688,131
STANDARD BANK - Savings -032015836 (BB-)	23,098	577,935
STANDARD BANK - Fixed Deposit -238644774 (BB-)	8,307,449	170,953
STANDARD BANK - Call account -238644774 (BB-)	170,953	2,313,071
ABSA BANK - Investment - 2063007279 (BB-)	704,248	653,346
FNB - Trust Account 63124802033 (BB-)	1,195,152	-
	10,794,561	5,403,436

24. Irregular Expenditure and Fruitless and wasteful expenditure

Irregular expenditure	-	92,765
Fruitless and wasteful expenditure	260,658	11,868
Closing balance	260,658	104,633

Amounts of material losses through criminal conduct

None

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Cases wherein determinations are not yet completed (Irregular expenditure)	-	92,765
Cases wherein determinations are not yet completed (Fruitless and wasteful expenditure)	260,658	11,868
	260,658	104,633

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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25. Budget differences

Material differences between budget and actual amounts

25.1 Rendering of services

The entity's revenue is higher than expected due to the investment in new gym equipment and repairs at the Mafikeng Centre which lead to the reopening of the gym.

25.2 Rental of facilities and equipment

The demand for use of the entity's facilities was higher than that of the prior year. Which resulted in the increase in revenue.

25.3 Other income

The Taung Cultural Calabash main festival and final competitions did not take place which would have resulted revenue generation opportunities.

25.4 Interest received - investment

Better than expected revenue was due to improving the efficiency of cash management between the transactional accounts and investment account.

25.5 Project income - conditions met

The lower than expected project income is due to:

- a) The Taung Cultural Calabash main festival and final competitions not taking place.
- b) An additional allocation for the repairs of the Mmabana head office that was received in January 2025 against which no expenditure was incurred as at year-end due to the limited time for procurement processes to unfold.

25.6 General expenses

General expenses exceeded the budget estimate as the entity continue to fulfil its administrative responsibility accompanie by an increase in activities in arts, culture and sports.

25.7 Remuneration of board members

Remuneration of board members was budgeted for under compensation of employees.

25.8 Repairs and maintenance

The lower than expected expenditure is mostly due to an additional allocation for the repairs of the Mmabana head office that was received in January 2025 against which no expenditure was incurred as at year-end.

25.9 Debt impairment

Accounting adjustment not budgeted for.

25.10 Depeciation and amortisation

Accounting adjustment not budgeted for.

25.11 Finance costs

Due to interest incurred from unanticipated late payments to suppliers.

25.12 Realisation of revaluation reserve

Accounting adjustment not budgeted for.

25. 13 Employee related costs

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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25. Budget differences (continued)

The lower than expected expenditure is as a result of non-filling of vacant posts as well as terminations in the current year.

25.14 Impairment losses

Accounting adjustment not budgeted for.

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of a reduction in the budget allocation for employee costs unfilled vacant pots in the foundation's organisational structure, as well as an additional allocation for the refurbishment of facilities.

26. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus (deficit) of R5,247,331 and that the entity's total assets exceed its liabilities by R35,794,484. Cash generated from operations has decreased from R5,178,441 in the prior year to R6,779,644 in the current year. As per the Statement of Financial Performance, the entity has gone from a surplus (deficit) of R(1,749,452) in the prior year to a surplus (deficit) of R(4,739,143) in the current year.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

27. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Property, plant and equipment	-	271,700
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Total capital commitments

Already contracted for but not provided for	-	271,700
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Total commitments

Total commitments

Authorised capital expenditure	-	271,700
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This committed expenditure in the 2024 financial year relates to property and will be financed by grant income, retained surpluses, existing cash resources, funds internally generated, etc.

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
28. Contingencies		
The following are contingent liabilities as at year end:		
IRENE NALEDI MODISE (JS269/2021)	2,791,173	2,078,500
IRENE NALEDI MODISE (139/2024)	146,000	146,000
	2,937,173	2,224,500

IRENE NALEDI MODISE (JS269/2021)

The foundation terminated the employment of Naledi Irene Modise on the grounds of misconduct. The employee alleges that the dismissal was procedurally and substantively unfair. The CCMA determined that the alleged dismissal was unfair, however, the foundation has instituted an appeal to the ruling, and provided security in terms of section 145 (8) Labour Relations Act.

The estimated costs to be reimbursed to the claimant amounts to R 2 791 173.04. The foundation is represented by Meyer, Van Sitterk & Kropman, uncertainty exists around the timing of the outflow as it's dependant on the court judgement. There is possibility of reimbursement.

The foundation is represented by Meyer, Van Sitterk & Kropman, uncertainty exists around the timing of the outflow as it's dependant on the court judgement. There is possibility of reimbursement.

IRENE NALEDI MODISE (139/2024)

On the 14th March 2024, the foundation received a summons from the claimant subsequent to termination of her employment contract as referred to in case JS269/2021. The claimant/plaintiff is claiming a total amount of R146 606.22 of unpaid leave days and unlawfully deducted medical aid amounts.

Mmabana has filed a notice in terms of Rule 60A against the plaintiff's summons, the foundation is being represented by Meyer, Van Sitterk & Kropman.

Uncertainty exist around the timing of the outflow as the matter is currently at discovery stage. There is however possibility of reimbursement.

29. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Trade and other receivables before impairment	5,536,421	5,536,421
Staff loans	18,937	18,937
Other receivables	823,559	823,559
Cash and cash equivalents	10,798,143	10,798,143
	17,177,060	17,177,060

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	7,584,095	7,584,095
Unspent conditional grants and receipts	9,163,106	9,163,106
	16,747,201	16,747,201

2024

Mmabana Arts, Culture & Sport Foundation

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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29. Financial instruments disclosure (continued)

Financial assets

	At amortised cost	Total
Trade and other receivables before impairment	5,160,930	5,160,930
Government grants and subsidies	150,000	150,000
Staff loans	18,434	18,434
Other receivables	951,198	951,198
Cash and cash equivalents	5,417,733	5,417,733
	11,698,295	11,698,295

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	6,816,788	6,816,788
Unspent conditional grants and receipts	1,837,011	1,837,011
	8,653,799	8,653,799

30. Segment information

General information

Identification of segments

Reportable segments are the actual segments which are reported in the segment report. The entity has centers in the North-West province however management has assessed the operations as a single segment because decision making and all operating activities affecting revenue and expenditure are determined, directed and implemented centrally and as such no geographical or business segments are recognised.

In the management assessment to consider the GRAP requirements, information reported internally by Mmabana was assessed, if it's not administrative in nature or if functional units exists which on their own generate economic benefits, or operate from different locations or regions which Mmabana would be required to report separately or not.

Management therefore deems all operations/activities by Mmabana to be administrative and all operations not to be geographically independent, as they take place in one location, are managed, reported and reviewed from Mmabana Head Office. All services provided by Mmabana emanates from one location with no alternative reporting information.



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