



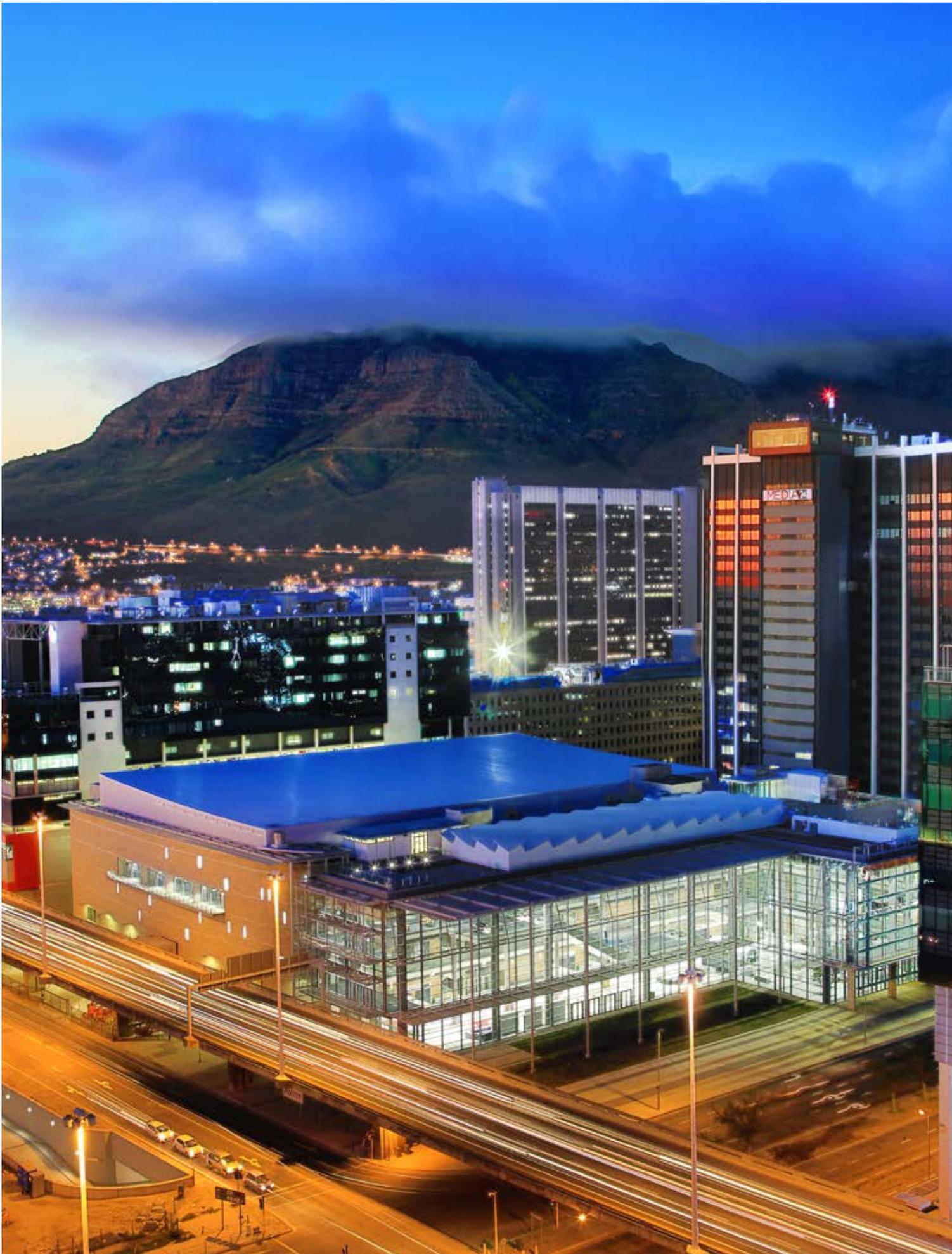
# POWER PANACHE PERFORMANCE

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A WORLD-CLASS  
CONVENTION CENTRE

2017 INTEGRATED  
ANNUAL REPORT

Cape Town International Convention Centre



# WELCOME TO AFRICAN POWER, PANACHE AND PERFORMANCE

For over 14 years, the Cape Town International Convention Centre has been extending its reach, embracing Africa and welcoming the world, while also building on its long-term commitment to promoting the knowledge economy and Cape Town as a city of opportunity. This year we remain focused on our proudly African offering, as illustrated by the elegant Big Five motif illustrating this report. But being in Africa is about more than exotic and, increasingly, endangered wildlife: it is about demonstrating a world-class African style, stature and service based on the dictum “always something new coming out of Africa: *ex Africa semper aliquid novi*”. The power and elegance of African wildlife echoes the state-of-the-art services offered by the expanding CTICC – world-class eventing, catering and conferencing from the ever-popular southern tip of Africa.

## African stature and panache

This year we will enhance the power, panache and performance of our established conference and exhibition offering by opening the stylish new CTICC 2 expansion, boosting our value as a gateway into Africa and as a home for world-class African events. Our CTICC 2 expansion will also bolster our ambition to be one of the world’s top ten leading long-haul international convention centres by 2020. This vision further drives our mission to harness the power and performance of our people to maximise economic spin-off, contribute to job creation, drive innovation, exceed service expectations, nurture quality and be a world leader in sustainability.

## The power to please

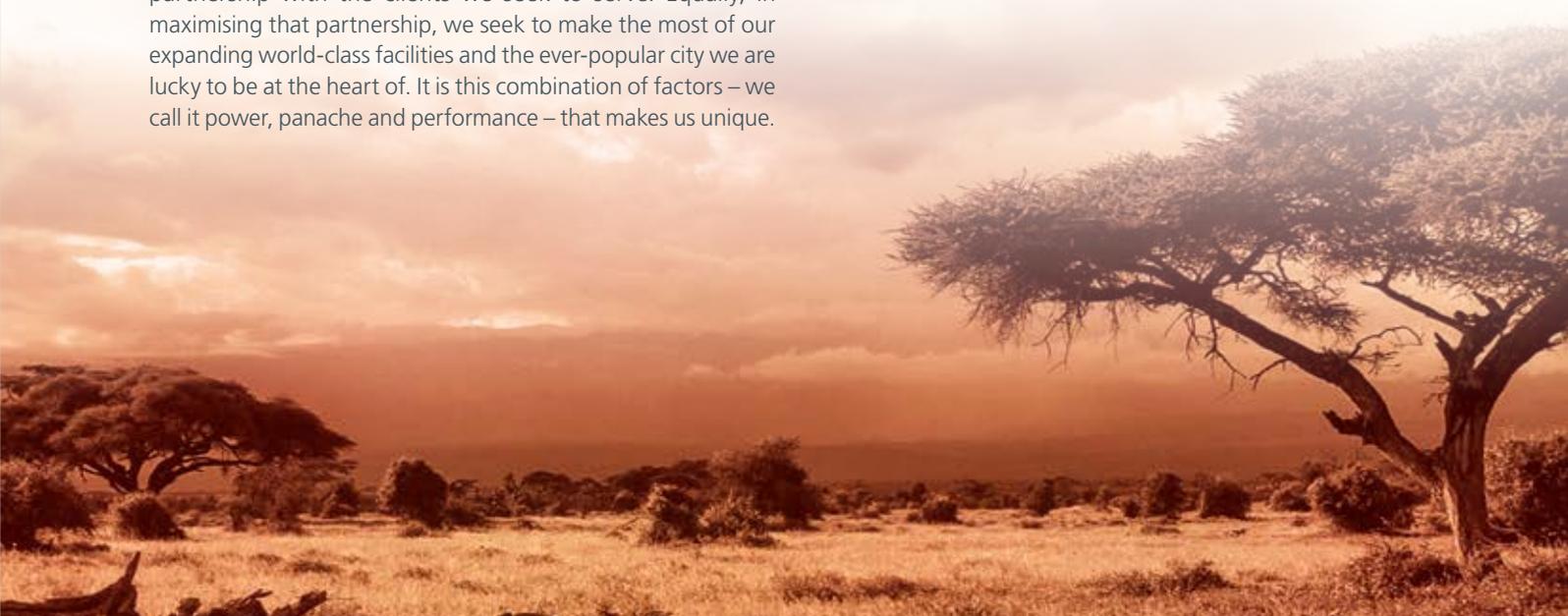
The CTICC is a service-driven business. All the space in the world and the best facilities are nothing without the people who facilitate them and bring them to life for our discerning and demanding clients. The traditions of ubuntu and African hospitality are our trademark: our offering is nothing without partnership with the clients we seek to serve. Equally, in maximising that partnership, we seek to make the most of our expanding world-class facilities and the ever-popular city we are lucky to be at the heart of. It is this combination of factors – we call it power, panache and performance – that makes us unique.

## Memorable performance lingers

Just as a sublime piece of music, an arresting artwork or a majestic African animal can stop us in our tracks, so too are we in the business of crafting memorable experiences. Our clients toil to create the experiences we are honoured to host for them. It is our role to offer a service that ensures their visions are realised and their memories linger. We owe them that and more. Indeed, our commitment runs far further and out into the world around us. For this reason we continue to demonstrate triple-bottom-line reporting with the Nurture our World (NOW) initiative forming the platform for all sustainability initiatives, including key ISO certifications and transformation imperatives. Finally, this report will continue to serve as the submission to the United Nations Global Compact (UNGC) for the Communication on Progress, following its ten guiding business principles. As such, this 2017 Integrated Annual Report illustrates our ongoing pledge to preserve and sustain people and planet with power, panache and performance.



“The power and elegance of African wildlife echoes the state-of-the-art services offered by the expanding CTICC – world-class eventing, catering and conferencing from the ever-popular southern tip of Africa.”



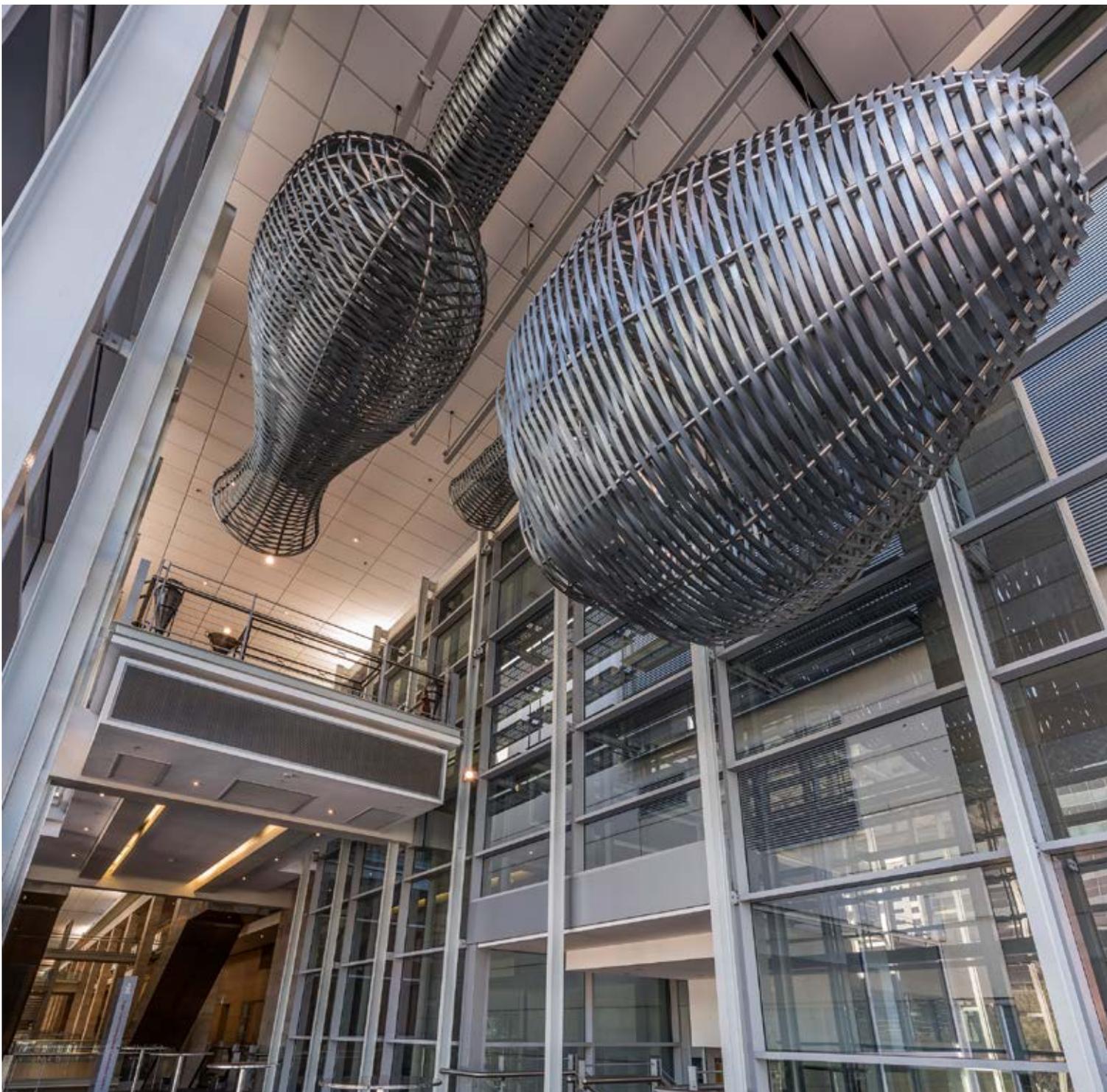
# ABOUT THIS REPORT: ITS SCOPE AND PARAMETERS

This report is compiled annually and contains data for the 2016/17 financial year, which runs from 1 July 2016 – 30 June 2017.

As at the end of 30 June 2017, the CTICC consists of one operational building (CTICC 1) and the boundary of this report reflects the performance of CTICC 1 including CTICC 2 which was under construction.

The most recent previously compiled report was made available at the CTICC's Annual General Meeting on 25 October 2016 and contained information from the previous financial year (1 July 2015 – 30 June 2016).

The contact persons for questions regarding the report are Olivia Bruce ([olivia@cticc.co.za](mailto:olivia@cticc.co.za)) and Susan Davis ([susand@cticc.co.za](mailto:susand@cticc.co.za)). They are contactable on the following number: +27 (21) 410 5000.



# TABLE OF CONTENTS



<b>HIGHLIGHTS 2016/17</b>	<b>2</b>		
<b>FOREWORDS</b>	<b>4</b>		
Message from the Executive Mayor of Cape Town	5	Enhancing staff performance through education and training	92
Message from the Premier of the Western Cape	6	Knowledge exchange and professional development programmes	94
Message from the Chairperson of Convenco	7	Developing the performance of the events and hospitality sector	96
Review by the Chief Executive Officer	8	The power of training and promotion: How investing in our people benefits the CTICC	98
<b>ABOUT THE CTICC</b>	<b>10</b>	The power of customer feedback	103
A WORLD-CLASS CONVENTION CENTRE WITH PANACHE	11	Performing with panache: the CTICC's new uniform	103
Our vision, mission and values	11	<b>ENVIRONMENTAL IMPACT</b>	<b>104</b>
Who we are: our name, our structure and our services	12	ENVIRONMENTAL PERFORMANCE: PRESERVING OUR PLANET	105
Who we serve: our markets, our clients, our staff and our stakeholders	13	The power of nurturing our world	105
Our staff: the power behind our service	14	Responding to the need to save water in an ongoing drought	106
Certifications: maintaining consistent quality performance	20	Improving our environmental performance daily	108
Awards: peer recognition of our performance	22	Continuously powering down our energy usage	109
Memberships and associations: powerful partnerships	23	Maintaining our recycling power and minimising our waste	111
<b>CTICC 2</b>	<b>24</b>	<b>GOVERNANCE</b>	<b>112</b>
WELCOME TO CTICC 2: POWER, PANACHE AND PERFORMANCE PLUS	25	ENGAGING STAKEHOLDERS, IMPROVING PERFORMANCE, REDUCING RISK	113
CTICC 1 and CTICC 2: a bird's eye view	26	Directorate and administration for the year ended 30 June 2017	114
Enhancing a Foreshore icon	28	Board committees	116
Gathering support for our new powerhouse	30	Compliance, good governance and risk management	119
Uncovering Cape Town's historical pier	31	Stakeholder engagement review	120
<b>EVENTS REVIEW</b>	<b>32</b>	How we engage with our stakeholders and shareholders	121
OUR EVENT REVIEW: A POWERFUL PERFORMANCE DELIVERED WITH PANACHE	33	Stakeholder engagement: opportunities to enhance performance	124
Event highlights of the year: delivering African power, panache and performance	35	<b>OUTLOOK</b>	<b>130</b>
Stories from our kitchen: food and wine in performance	46	POWERING INTO THE FUTURE WITH PANACHE	131
Performance highlights from our seven event segments	49	How our forward book is performing	131
<b>ECONOMIC IMPACT</b>	<b>64</b>	Comprehensively prepared for the future	132
BUILDING AFRICAN ECONOMIC PERFORMANCE	65	<b>ANNUAL FINANCIAL STATEMENTS</b>	<b>134</b>
A powerful financial and economic performance	65	<b>UNITED NATIONS GLOBAL COMPACT INDEX</b>	<b>182</b>
The sixth element – driving the knowledge economy	66		
How the CTICC has contributed to date	68		
New key performance indicators powerfully achieved	73		
Empowering local enterprises to develop and perform	74		
Capital expenditure: ensuring our ongoing performance	75		
<b>SOCIAL IMPACT</b>	<b>76</b>		
PEOPLE AND COMMUNITY: PROVIDING POWERFUL SUPPORT	77		
Changing futures through passionate organisations	77		
Empowering our partners through activations	79		

# HIGHLIGHTS 2016/17

We have had a profitable year, with rising revenue, high levels of customer satisfaction and strong economic, environmental and social contributions. This is but a selection of our major highlights and accolades for the year under review. More awards and full details of all these aspects of our performance are available on the subsequent pages of the report.



## ECONOMIC CONTRIBUTION



**7 824**  
Total jobs created



**R3.7bn**  
Contribution to SA National GDP



**R3.1bn**  
Contribution to Western Cape GGP



**R36.3bn**  
Cumulative contribution to SA National GDP



**R32bn**  
Cumulative contribution to Western Cape GGP



**R591.6m**  
B-BBEE procurement (92.8% of net spend – an increase of 13.2% on the previous year)



**R593m**  
Locally-based procurement (93.1% of total procurement spend – an increase of 13.6% on the previous year)



**50.5%**  
Women employed in the business (93 out of 184)



**29%**  
Women-owned enterprise suppliers (of total supplier base)



## OPERATIONS & FINANCE



**482**  
Total events



**R215.6m**  
Revenue (including other income) (R4.9m above target of R210.7m)



**R53m**  
EBITDA (R32.5m above target of R20.5m)



**R57.4m**  
Operating profit (R45.3m above target of R12.1m)



**R43.4m**  
After-tax profit (R34.7m above target of R8.7m)



**84%**  
Customer Satisfaction Index (8% above target of 76%)





**ENVIRONMENTAL SUSTAINABILITY**



**84%**  
Waste diverted from landfill



**6%**  
Reduction in electricity consumption



**CORPORATE SOCIAL INVESTMENT**



**R1.2m**  
Value of community development support



**AWARDS & ACCREDITATION**

**Finalist: Top500 Companies Award**

Exhibitions and Conference Facilities category  
(Award announcement in January 2018)

**Winner: Business Traveller Africa Awards**

Best Large Conference Venue

**Winner: The Lilizela Tourism Awards**

B-BBEE Transformation Award for Large Enterprises

**Winner: Summit Marketing Effectiveness Award**

Business-to-Business Collateral Materials category

**Winner: Summit Emerging Media Award**

Complete Branding Campaign category

**Winner: Build Innovation Award for Event Management**

Best International Conference Centre (Europe, Middle East and Africa region)

**ISO 9001** (Quality Management)

**ISO 14001** (Environmental Management)

**OHSAS 18001**  
(Occupational Health & Safety Management)



# FOREWORDS



## MESSAGE FROM THE EXECUTIVE MAYOR OF CAPE TOWN



**Patricia de Lille**  
Executive Mayor: City of Cape Town



“The CTICC has always been such a catalyst – embracing new knowledge, generating connections and facilitating memorable events that encourage exchange and build economic opportunities.”

Cape Town remains a world favourite in many ways and continues to win accolades for both leisure and business tourism, thanks to the CTICC and many partners who are ambassadors in positioning Cape Town as a forward-looking globally competitive business destination.

To take our city to even greater heights, in August 2016, Council adopted the City’s Organisational Development and Transformation Plan (ODTP) which led to the establishment of the Transport and Urban Development Authority (TDA).

TDA will be the driving force in building on our previous successes of transforming Cape Town into a vibrant, inclusive city – a city that is ideal to live, work, play and invest in.

The continued success and expansion of the CTICC is key to making this happen.

An exciting tool at our disposal is our Transit Orientated Development (TOD) strategy which aims to reverse apartheid spatial planning by bringing residential and economic opportunities closer together and located close to transport corridors.

A key strand in this strategy involves the mixed-use Foreshore Freeway Precinct project and the CTICC will be at the heart of the great new opportunities it will bring. At one level, its new CTICC 2 expansion will enliven that very area; but, importantly, on another level it will create jobs and provide a community hub that will make progress possible for the CBD and the city as a whole.

The CTICC has always been such a catalyst – embracing new knowledge, generating connections and facilitating memorable events that encourage exchange and build economic opportunities. That is why it remains such a vital strategic asset to the City – helping us deliver on our commitment to provide a safe, caring, inclusive, opportunity and well-run city to citizens and visitors alike.

Once again I have to congratulate Julie-May Ellingson, the Convenco Board, the Executive Team and each and every CTICC employee for such impressive results in challenging times. The CTICC continues to perform and will surely only build on that contribution once its CTICC 2 expansion comes fully on stream. I am looking forward to the growth of the Foreshore Precinct that is sure to follow.

**Patricia de Lille**

Executive Mayor: City of Cape Town

## MESSAGE FROM THE PREMIER OF THE WESTERN CAPE



**Helen Zille**  
Premier of the Western Cape



"I would like to congratulate the CTICC Board, its Executive, its staff and all its stakeholders for another impressive year in the face of considerable global change."

The Province's promise to its citizens is "Better Together". This is also, of course, an invitation reflecting the collaborative approach essential to the delivery of an "Open-opportunity Society for All".

Progress will only be possible if everyone works together. We need competent government, active citizens who accept their responsibilities and committed leadership in all spheres of society to make our open-opportunity vision a reality.

Opportunity and collaboration are central to the CTICC's approach. The partnership with the Western Cape Government's Project Khulisa specifically targets the tourism sector, which we know to be our fastest-growing sector, employing over 200 000 people and generating R17bn for our economy each year.

The CTICC also continues to benefit from over half a million more two-way direct air arrivals into Cape Town, facilitated by the Air Access Project.

I would like to congratulate the CTICC Board, its Executive, its staff and all its stakeholders for another impressive year in the face of considerable global change.

May you remain stable in these stormy seas and a beacon of our commitment to make the region better together. Thank you.

**Helen Zille**  
Premier of the Western Cape

## MESSAGE FROM THE CHAIRPERSON OF CONVENCO



**Andrew Boraine**  
Chairperson: Convenco



“One of the ways in which the CTICC aligns with the City and Provincial development priorities is through its ongoing commitment to the knowledge economy.”

The CTICC continues to be a growing and strongly profitable enterprise. This year its positive financial and economic contributions remind us that, when properly managed, publically-owned enterprises can make powerful social, environmental and economic contributions in delivering on their shareholder mandates.

This success is the result of partnering and collaboration in the service of inclusive socio-economic development. Development is tough and getting it right is not easy. Partnering is one way to improve the process and the result.

One of the ways in which the CTICC aligns with the City and Provincial development priorities is through its ongoing commitment to the knowledge economy. Its growth sector-based events build intellectual capital, which is an essential foundation for sustainable economic growth and social development of any region. Now the CTICC has even greater capacity to deliver on that commitment, through the opening of CTICC 2.

This will have multiple benefits. Our clients can now opt to host larger events across both sites. For our suppliers, increased opportunities will bolster the centre’s economic contribution to the region. Indeed, additional jobs have already been created to service the expanded facility. In addition, our shareholders will also benefit from the greater potential for growth the expansion offers.

A key driver of this growth will be the established reputation of Cape Town as the number one city in Africa for business tourism, as recognised by the International Congress and Convention Association (ICCA) for the fourth year in succession. This win can only boost the potential to fill both CTICC 1 and CTICC 2 in the future.

I wish to congratulate Julie-May Ellingson and her team on their impressive achievements this year. Their regular and steadfast commitment to the expanded CTICC will, I have no doubt, launch CTICC 2 proudly into the world with resounding success.

After 11 years on the Board of the CTICC, I am stepping down. I would like to pay tribute to my fellow Board members, past and present, that have served with me, to the three CEOs that I have had the pleasure to work with, and to all CTICC staff, past and present, for contributing to the incredible business, economic, financial, destination marketing and social development success of the CTICC.

I have no doubt that the people of Cape Town, the Western Cape and South Africa will continue to derive enormous benefit from the CTICC in years to come.

**Andrew Boraine**  
Chairperson: Convenco

## REVIEW BY THE CHIEF EXECUTIVE OFFICER



**Julie-May Ellingson**  
Chief Executive Officer

I am pleased to announce that the CTICC has again delivered another year of impressive financial performance as well as our fifth clean audit from the Auditor General. We achieved record-breaking revenues of R215.6m (R4.9m above target) while the centre's profits remained equally creditable. Operating profit of R57.4m was R45.3m above target, while EBITDA also rose well above our target of R20.5m to R53m. Net profit of R43.4m was also achieved and R34.7m ahead of target. In a service business, however, it is not only the figures that matter but the people. Through attracting and hosting 482 world-class events, the CTICC sustained a total of 7 824 jobs. This 2016/17 Integrated Annual Report focuses as much on the people who continuously go the extra mile to keep the business ticking as on our financial results. And now with the opening of the CTICC 2 expansion, the CTICC team's enthusiasm and energy matter even more.

### Demonstrating African power, panache and performance

The CTICC hosted 482 events from across the world, welcoming 416 733 delegates and generating a total of 789 809 visitor days. The events we host continue to promote the knowledge economy and showcase a rich diversity of

industries and sectors. Ranging from medical and information technology to geology, music and art, we pride ourselves on providing local and international platforms for people to meet, converse and expand our knowledge of the world we live in. Our commitment to the knowledge economy is well recorded and several of our case studies this year reinforce this contribution.

Some first-time events at the CTICC have made us particularly proud. International associations, such as the dedicated and inspiring International Society for Prosthetics and Orthotics (ISPO), chose us to host their first conference in Africa, while the prestigious 35th International Geological Congress returned to Africa for only the third time in its 140-year history. Its geoheritage and geotourism legacy programmes have particular relevance for our continent and country. Newer clients such as FanCon, the Electronic and Gaming Expo and the South African International Tattoo Convention have also opened our eyes to growing millennial markets. The case studies on pages 35 to 45 will tell you more.

In addition, we continue to fulfil our core mandate – maximising economic growth by driving the knowledge economy and contributing to job creation in the Western Cape and South Africa.

In terms of measurable economic contribution, the CTICC contributed R3.7bn to national Gross Domestic Product (GDP) and R3.1bn to the Western Cape Gross Geographic Product (GGP) for the year under review. Of the total of 7 824 jobs created or sustained, 3 384 jobs were in the local Western Cape economy and 4 440 jobs in the national economy.

It is on the basis of our positive economic and financial performance that I am delighted to confirm that as a government entity, the CTICC remains a highly positive asset to our public-sector investors here at Africa's southern tip.

### Promoting the people who provide the panache

It bears repeating: In a service business, it is not the buildings that matter most but the people. This year our training investment has risen to almost R3m, which is 6.4% of our annual salary bill, and you will read about staff who have benefited from this commitment to our team's growth in the following pages.

In addition, this year, we have included stories of those staff members whose passion, commitment to service excellence and leadership abilities have paved the way for their promotion within the company. And then there are our graduate trainees – there is also a wonderful story to tell about them on page 96.

### Continuing to provide powerful community support

Our social commitment also remains strong. There has been considerable and positive change this year with our

community-focused activations. A staff-driven consultation and nomination process culminated in the selection of three new community partners – Ikhaya le Themba, Journey of Enrichment and Mothers Unite – while retaining our long-established relationships with Abalimi Bezekhaya and the Foundation for Alcohol-Related Research (FARR).

These five non-governmental organisations play an important role in uplifting and enriching the communities they serve and, as a strategic asset of the City of Cape Town and Western Cape Government, the CTICC is committed to giving back to the community as a responsible corporate citizen. Our contribution to the social fabric of Cape Town and the Western Cape included cash or goods donated to the value of nearly R1.2m in support of these and various other non-profit organisations.

## Enhancing the Foreshore with the opening of CTICC 2

To capture those growing markets, we now have the capacity to host large-scale conferences as I am delighted to announce that our CTICC 2 expansion is now open for business. Indeed, we have secured several such events already – including the 20th Annual AfricaCom, which will be expanding into CTICC 2 for its 20th anniversary year this November; the 15 000-delegate World Ophthalmology Congress in 2020; and the 18th International Congress of Immunology, whose forecast attendance of 6 000 will use both CTICC buildings in 2022.

The CTICC has been a key driver of the region's knowledge economy, which makes the Cape a place where ideas are shared and investments planned. This focus on advancing knowledge and promoting knowledge-based industries provides a platform for creativity where South Africans and Africans can take part in the co-creation of future scientific, technological and academic innovations. CTICC 2 will no doubt bolster the centre's credentials in this regard, contributing positively to Cape Town and the Western Cape's socio-economic growth.

The space itself is also, quite literally, a breath of fresh air. Natural light abounds; the building's green credentials, built into the design from the start, are coming to life; and our first events are booked in for the end of this year. It has been a long road but finally we have arrived at CTICC 2's debut. These are exciting times for us and for the burgeoning Foreshore district. And we are proud to have been in at the start of it, building our centre at the urban edge more than 14 years ago.

## Keeping the environmental faith

Another area of great importance for the CTICC, and one which remains a focus, is its environmental performance. Here, once more, our CTICC 2 expansion is leading the way with its 4-star Green Star rated design. But sustainability is not new to the CTICC. We are constantly seeking new ways to reduce our energy and water consumption, as well as our waste diversion to landfill.

The installation of several storage tanks with a total capacity of 45 000 litres for rainwater and grey water recycling, as well as rigorous ongoing monitoring of water and electricity (down 6%) consumption confirms our commitment to what we call our NOW (Nurture Our World) initiative. That stewardship, together with our commitment to the UNGC principles in our reporting, remains part of who we are.

## Collaborating to solve challenges for the future

Building our strong forward book in close collaboration with clients is our insurance against the ongoing unpredictability of the economy. We may be trading in a recession here in South Africa but our focus remains both international and national markets. Our marketing and sales efforts focus on understanding our national and international clients' constraints and needs, while doing our best to attract them to the best city in Africa. We are very proud of the fact that Cape Town was once again voted the top business events city in Africa for the fourth consecutive year by the International Congress and Convention Association (ICCA). These kinds of accolades help our case and are as a result of diligent research, delivery and promotion by the City of Cape Town, as well as the work done by the Cape Town & Western Cape Convention Bureau.

We will continue to offer more in terms of our world-class facilities and services, as well as our vibrant food and beverage offerings. Our consistently high customer service ratings confirm this entrenched service and innovation ethos.

## Thank you

This is my third year as Chief Executive Officer of the Cape Town International Convention Centre and, as before, none of the above would be possible without the powerful support I receive from our Shareholders, CTICC Board, Executive Team and staff.

Special thanks must go to Andrew Borraine, our Chairperson, for his invaluable guidance over the past three years. To the Executive Team, for their unwavering support, passion and commitment. To the CTICC staff, for readily taking on additional work even when it meant time away from your families. I cannot thank you enough. Your commitment to excellence is sincerely appreciated and evidenced by our excellent customer service results and the overall success of the CTICC.

To the Mayor and City officials, who work tirelessly to ensure Cape Town remains a destination of choice and without whose support the completion of the CTICC 2 would not have been possible. To our suppliers, who continue to perform way beyond the call of duty. We would not have achieved these results or opened CTICC 2 without your unwavering commitment.

Finally, I must thank our most important partners of all, our clients, new and old, for their ongoing support. We know you have a choice – and now you have an even better one. We look forward to hosting you and your delegates across our two magnificent centres in the near future.

**Julie-May Ellingson**  
Chief Executive Officer

# ABOUT THE CTICC





## A WORLD-CLASS CONVENTION CENTRE WITH PANACHE

The Cape Town International Convention Centre (CTICC) was purpose-built to host international and local conferences, trade shows and exhibitions. It also offers stylish venues for banquets, concerts, film shoots and stage productions. Its world-class facilities range from large auditoria and exhibition halls to comprehensively equipped private boardrooms – all supported by highly advanced technology services. The centre is located in the Foreshore area of Cape Town and is only a 20-minute drive from Cape Town International Airport. A number of accommodation options are to be found within walking distance of the centre.

### OUR VISION, MISSION AND VALUES



#### Vision

As a leading convention centre, the CTICC’s vision is to become one of the world’s top ten leading long-haul international convention centres by 2020.



#### Mission

How we will bring our vision to reality:

- Maximising economic spin-off and job creation;
- Focusing on innovation and exceeding expectations;
- Achieving service excellence by building capable and quality staff;
- Being a world leader in sustainability.



#### Values

We will achieve our mission and vision by applying ourselves with:

- **Passion** – We live to go beyond;
- **Innovation** – We create magic that gives us the edge;
- **Integrity** – We are transparent in all our actions;
- **Excellence** – We create superior experiences;
- **Gratitude** – We are appreciative of the opportunities provided by the company, the City of Cape Town and the country we live in.

The CTICC continues to foster a culture of creativity, teamwork, and superior service delivery.

## WHO WE ARE: OUR NAME, OUR STRUCTURE AND OUR SERVICES



Cape Town International Convention Centre is managed by the Cape Town International Convention Centre Company SOC Ltd (RF), also known as Convenco.

The Cape Town International Convention Centre Company SOC Ltd (RF) (CTICC) was formed in 1999. It is owned by three shareholders, namely the City of Cape Town (which holds the majority of shares in the company: 71.4%), the Western Cape Government (23.2%) and SunWest International (Pty) Ltd (5.4%).

The main departments at the CTICC are Commercial & Business Development, Finance, Food & Beverage & Operations, Facilities & Operations and Human Resources.

The CTICC is primarily an event venue and offers event-related services typically required to host an event or conference. The CTICC's primary products and services include:

- International conference services;
- National conference services;
- Food and beverage services;
- Exhibition services;
- Operational services;
- Marketing and corporate communication services;
- Event-related services such as IT, audio-visual and cleaning.

We have two facilities – CTICC 1 and CTICC 2, the latter being under construction during the reporting year.

### CTICC 1 and CTICC 2: our new combined powerhouse

#### Our CTICC 1 facilities include:

- Two modern raked auditoria – which can seat 1 500 and 612 guests respectively;
- A sub-divisible, multifunctional ballroom of 2 000m<sup>2</sup>;
- Over 11 399m<sup>2</sup> of dedicated exhibition and trade show space;
- 33 breakout rooms varying in size and able to accommodate from 25 to 320 people;
- A roof terrace meeting room that seats 250 banquet-style with an independent foyer and terrace;
- Three conservatories flooded with natural light and indigenous flora;
- A marshalling yard of 5 000m<sup>2</sup> with easy, drive-in access to exhibition halls;
- Dedicated hot, cold and pastry kitchens, with 14 satellite kitchens;
- An in-house coffee shop – “Coffee on the Square”.

#### CTICC 2 adds the following facilities:

- 31 148m<sup>2</sup> floor area in total;
- 10 000m<sup>2</sup> of additional conference and exhibition space;
- 3 000m<sup>2</sup> of additional meeting space, composed of four meeting suites and five meeting pod rooms;
- An additional marshalling yard of 1 267m<sup>2</sup>;
- Three additional kitchens;
- One additional terrace room;
- A further in-house coffee shop – “Coffee on the Circle”;
- A skybridge linking the two buildings (due for completion by 2019).

## WHO WE SERVE: OUR MARKETS, OUR CLIENTS, OUR STAFF AND OUR STAKEHOLDERS

The CTICC serves several markets based on seven key event sectors: international conferences; national conferences; exhibitions; trade fairs; banquets; special events; as well as film shoots and other events. A total of 482 events were held during the past financial year.

In the year under review, the CTICC hosted events from South Africa and all over the world, including the United States of America (USA), United Kingdom (UK), Switzerland, Denmark, Mauritius, China, Japan, Kenya, Ireland, Ethiopia, Namibia, Bermuda, United Arab Emirates, Canada, Italy and Germany.



**482**  
Events held in 2016/17



### Our executive and senior management team



Front row left to right:

**Julie-May Ellingson:** Chief Executive Officer

**Fairoza Parker:** Chief Financial Officer

**Robert Hatton-Jones:** General Manager: Commercial & Business Development

Back row left to right:

**Tracy Mkhize:** General Manager: Food & Beverage & Operations

**Craig Barrington:** General Manager: Facilities & Operations

## OUR STAFF: THE POWER BEHIND OUR SERVICE











### Our people

Our business is growing. That growth is reflected in our numbers – not just the financial statistics, but the people who make the CTICC the successful enterprise it is. The CTICC now employs 184 staff in all, 168 of whom are permanent. We also employ 16 temporary staff, largely students (interns) and graduates. In addition, we employ a fluctuating number of contract staff for events throughout the year. The bulk of our staff are skilled and semi-skilled and our commitment to upskilling and training our staff is consistent and comprehensive. See pages 92 to 102 of this report for more information on our training programmes.

### Diversity

The CTICC celebrates staff diversity and attempts to ensure that the staff complement represents the richness of South African society. Our staff profile reflects our commitment to diversity, with 93 of our staff being female and 91 male.

### Our employment philosophy

The CTICC’s commitment to employment equity addresses all aspects of equality as set out in the Constitution, with a particular focus on race, gender and disability. With this in mind, we have worked particularly hard this year on transformation and diversity through the ongoing supervision of our Employment Equity Committee (EEC) and Employee Relations Forum (ERF). These fora are charged with ensuring the CTICC complies with all aspects of Broad-based Black Economic Empowerment, Employment Equity and Labour Relations legislation, while empowering all our staff with opportunities to grow.

While the ERF focuses primarily on representing the interests of all employees regarding employment conditions, the EEC’s mandate is to improve the employment equity process and its compliance with the Employment Equity Act. Members of the EEC received in-depth training in respect of the Act in November 2016 to equip them for this role. In addition, the entire CTICC team were trained in respect of employment equity in January 2017.

Preference is given as far as possible to Western Cape residents when recruiting staff and the centre continuously strives to ensure its staff complement aligns to the profile of the Western Cape’s economically active population (EAP). This allows us to contribute meaningfully to local job creation and economic growth.



93  
Female staff members



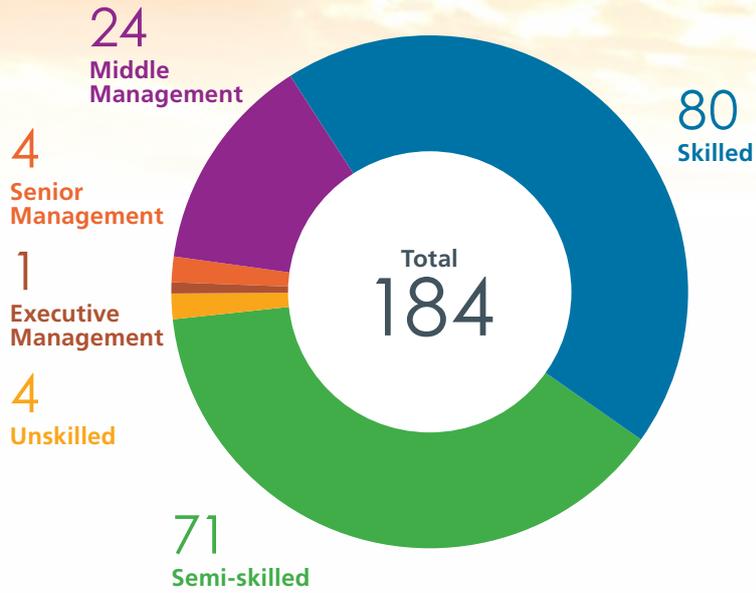
91  
Male staff members



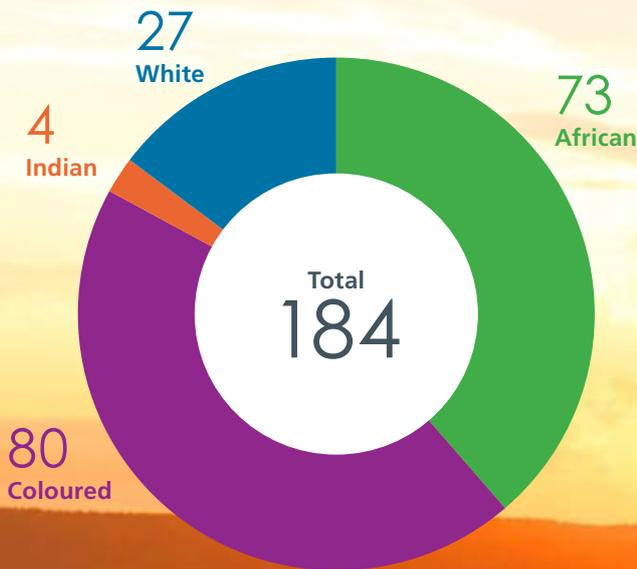
## CTICC Staff Profile



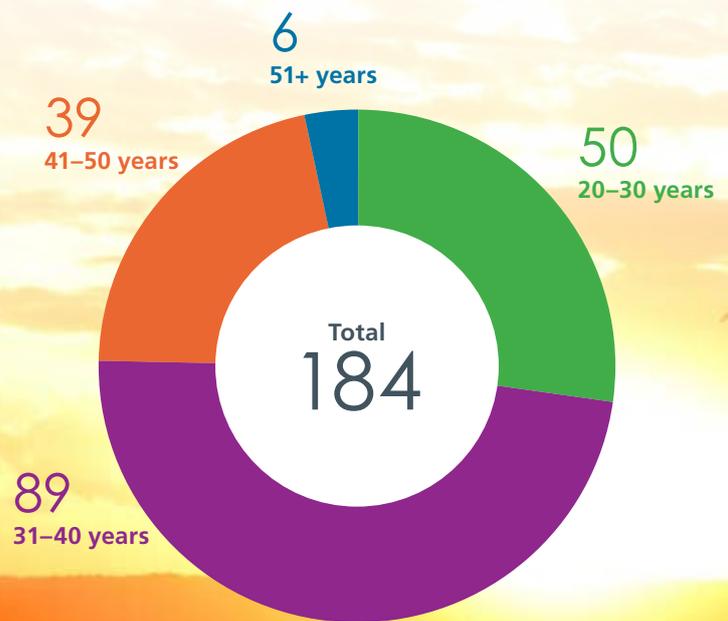
### Employment Level



### Ethnic Groups



### Age Groups



## CERTIFICATIONS: MAINTAINING CONSISTENT QUALITY PERFORMANCE



The CTICC’s leading role in its sector is based on ensuring we measure ourselves to the highest global standards. To this end we follow the United Nations Global Compact (UNGC) principles. We also use an Integrated Management System (IMS) to ensure that quality assurance and sustainability management are monitored and maintained at a high level. A similar dedication is applied to health and safety issues.

We have an equally strong commitment to maintaining our work processes to internationally recognised systems standards. In line with this, the CTICC continues to sustain its International Standards Organisation (ISO) recognition through a SANAS certification body for the following standards:

- ISO 9001 (Quality Management System);
- ISO 14001 (Environmental Management System);
- OHSAS 18001 (Occupational Health & Safety Management System BS).

The CTICC also received:

- AIPC Gold certification;
- 5-star grading (Tourism Grading Council of South Africa).

The centre further holds the SANS 10330:2007 HACCP (Hazard Analysis and Critical Control Points) certification and follows the seven principles as set out for food hygiene and safety.

The CTICC was recertified in 2016 and successfully maintained all of the above certifications.

In addition, the CTICC achieved a Mobility Level 1 score for access to disability facilities in the centre. This audit was done as part of the Tourism Grading Council of South Africa’s assessment in November 2016. The CTICC achieved an overall score of 98% during the assessment.

### ISO internal auditor training powers up our monitoring capability

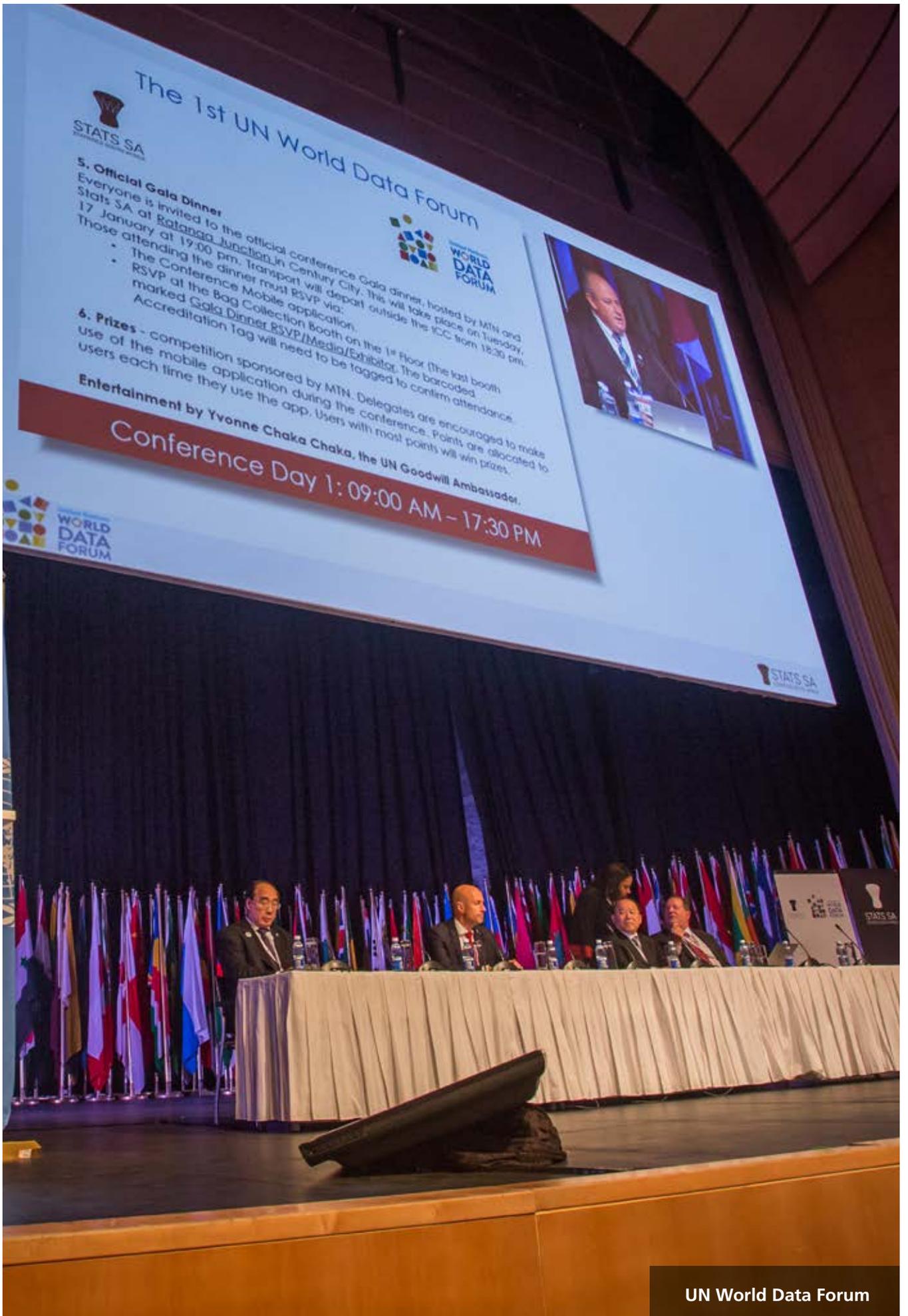
Our ability to facilitate and execute certifications has been greatly boosted this year by the official training of 12 of our own staff as ISO Internal Auditors. This will allow us to monitor and manage our compliance with the two ISO and OHSAS standards in-house, which will simplify and speed up the certification process, which has to be completed annually. Three people from each department were selected to do the nine-week training course, so that the auditing process can be shared.



The CTICC continues to maintain its

# 5-star grading





**The 1st UN World Data Forum**

**STATS SA**  
STATISTICS SOUTH AFRICA

**5. Official Gala Dinner**  
Everyone is invited to the official conference Gala dinner, hosted by MTN and Stats SA at Ratanga Junction in Century City. This will take place on Tuesday, 17 January at 19:00 pm. Transport will depart outside the ICC from 18:30 pm. Those attending the dinner must RSVP via:

- The Conference Mobile application.
- The Conference Booth on the 1<sup>st</sup> Floor (The last booth marked Gala Dinner RSVP/Media/Exhibitor. The barcoded Accreditation Tag will need to be tagged to confirm attendance.

**6. Prizes** - competition sponsored by MTN. Delegates are encouraged to make use of the mobile application during the conference. Points are allocated to users each time they use the app. Users with most points will win prizes.

**Entertainment by Yvonne Chaka Chaka, the UN Goodwill Ambassador.**

**Conference Day 1: 09:00 AM – 17:30 PM**

**STATS SA**

UN World Data Forum

## AWARDS: PEER RECOGNITION OF OUR PERFORMANCE

The CTICC is an award-winning world-class conference and exhibitions venue: the year under review continued that pleasing trend, with the centre receiving a number of industry awards.

### Top500 Companies Award, Exhibitions and Conference Facilities

For the second year in a row, the CTICC has made the 2017 list of Top500 Companies and has been ranked as one of the top five finalist companies in the Exhibition and Conference Facilities category. The final announcement of the winner in this category will be in January 2018.



### Business Traveller Africa Awards, Best Large Conference Venue

This award recognises the best large conference venue in South Africa catering for more than 100 delegates.



WINNER

### The Lilizela Tourism Awards, B-BBEE Transformation Award for Large Enterprises

The CTICC won the provincial and overall national prize in the B-BBEE for Large Enterprises category.



### Summit Marketing Effectiveness Award, Silver Award

This is an international award and the CTICC won a Silver Award in the Business-to-Business Collateral Materials category for its Integrated Annual Report 2015.



### Summit Emerging Media Award, Complete Branding Campaign category

The CTICC received recognition for its National Conference Campaign in the Innovator: Complete Branding Campaign category.



### Build Innovation Award for Event Management, Best International Conference Centre, (Europe, Middle East and Africa region)

The 2017 Infrastructure Awards are endorsed by the international construction magazine Build.



**Top40 Women in MICE Award**

The CTICC CEO was honoured as one of the top 40 women who has made an outstanding contribution to the South African business events industry.

**MEMBERSHIPS AND ASSOCIATIONS: POWERFUL PARTNERSHIPS**

The CTICC is a member of the following associations, many of which offer valuable data and training support to us and the South African event management and tourism sector:



## CTICC 2



## WELCOME TO CTICC 2: POWER, PANACHE AND PERFORMANCE PLUS

Our CTICC East expansion project will have been completed by the time you read this report. The stylish new building has been formally named CTICC 2 and will have hosted its first event in September 2017.

CTICC 2 has been designed as a seamless extension of the original building, now called CTICC 1, to provide complementary space for large exhibitions or conferences. As such the integration of the two buildings will allow us to form an event venue complex that will affirm Cape Town's commitment to developing business tourism and driving the knowledge economy of South Africa. However, CTICC 2 will also be able to operate as an entirely independent facility.

### Welcome to added panache

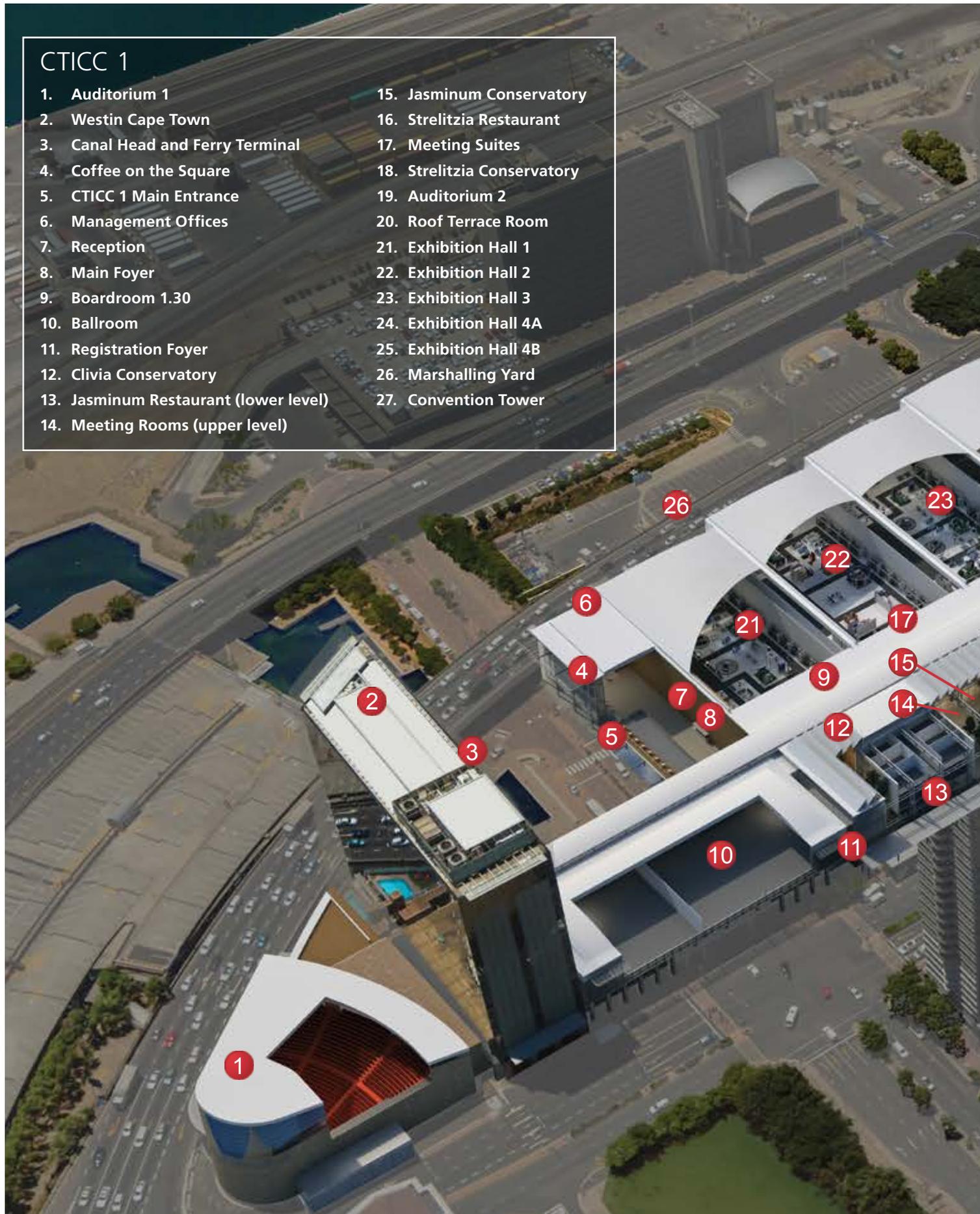
The stylish new expansion is 31 148m<sup>2</sup> in extent and consists of 10 000m<sup>2</sup> of conference and exhibition space, as well as a further 3 000m<sup>2</sup> of formal and informal meeting space. In addition, we will be constructing a dramatic skybridge across the Heerengracht to connect CTICC 1 with CTICC 2. This should be in place by 2019. In the interim, there will be direct access from CTICC 2 parking, as well as from street level.

Construction of CTICC 2 was largely completed in the year under review, with elegant interior fitting and commissioning continuing throughout 2017. The renderings and photographs in this section give you a taste of this impressive new facility.

The expansion will allow the CTICC to host much larger events and it will also increase the number of events we can host at the same time. Furthermore, the expansion will provide the necessary capacity for clients who wish to grow their events.



# CTICC 1 AND CTICC 2: A BIRD'S EYE VIEW



- CTICC 1**
- |                                       |                             |
|---------------------------------------|-----------------------------|
| 1. Auditorium 1                       | 15. Jasminum Conservatory   |
| 2. Westin Cape Town                   | 16. Strelitzia Restaurant   |
| 3. Canal Head and Ferry Terminal      | 17. Meeting Suites          |
| 4. Coffee on the Square               | 18. Strelitzia Conservatory |
| 5. CTICC 1 Main Entrance              | 19. Auditorium 2            |
| 6. Management Offices                 | 20. Roof Terrace Room       |
| 7. Reception                          | 21. Exhibition Hall 1       |
| 8. Main Foyer                         | 22. Exhibition Hall 2       |
| 9. Boardroom 1.30                     | 23. Exhibition Hall 3       |
| 10. Ballroom                          | 24. Exhibition Hall 4A      |
| 11. Registration Foyer                | 25. Exhibition Hall 4B      |
| 12. Clivia Conservatory               | 26. Marshalling Yard        |
| 13. Jasminum Restaurant (lower level) | 27. Convention Tower        |
| 14. Meeting Rooms (upper level)       |                             |



## CTICC 2

- |                           |  |
|---------------------------|--|
| 28. Skybridge             | 37. Lower Hall 5                                 |
| 29. CTICC 2 Main Entrance | 38. Lower Hall 6                                 |
| 30. Concourse             | 39. Lower Hall 7                                 |
| 31. Meeting Suites        | 40. Upper Hall 8.1 8.2 8.3                       |
| 32. Blue Bell Terrace     | 41. Upper Hall 9                                 |
| 33. Mountain View Terrace | 42. Upper Hall 10                                |
| 34. Harbour View Terrace  | 43. Meeting Pods                                 |
| 35. Hall Lobby Entrance   | 44. Coffee on the Circle                         |
| 36. Marshalling Yard      | 45. Netcare Christiaan Barnard Memorial Hospital |

## ENHANCING A FORESHORE ICON



CTICC 2 – a welcome addition to the Foreshore

Flanked by Cape Town harbour on one side and the regenerating Foreshore area of the city centre on the other, the CTICC's expansion project, CTICC 2, is a welcome addition to this 2.3km<sup>2</sup> area reclaimed from Table Bay in the 1930s and 1940s. One of the fastest developing areas of Cape Town, according to the Cape Town Central City Improvement District (CCID), the Foreshore is also home to an increasing number of residential units. In addition, there is the recently released six-hectare Foreshore Freeway site, which includes the famous, unfinished Cape Town freeways. Spearheaded by CTICC 2 and the Netcare Christiaan Barnard Memorial Hospital, this small urban pocket is very much on the up.

One of the driving forces making CTICC 2 possible is the City of Cape Town, which recognised the importance of an expanded CTICC more than a decade ago. As a result of the CTICC's success, it became clear that expansion would be required in order for Cape Town to remain globally competitive as a meetings and events destination.

It is this collaboration with the City that has inspired the design and systematic construction of CTICC 2. The City's committed support steered us through construction milestone after milestone. And as the City's next catalytic project, the Foreshore Freeway Precinct Project comes on stream, the CTICC will be at the heart of this positive transformation, too.

### A five-star welcome

CTICC 2 will be welcoming its first clients, delegates and visitors by the time you read this report. A state-of-the-art fusion of African sandstone, steel and glass will have opened its doors, quite literally, onto the streets of the burgeoning Foreshore district: its dedicated coffee shop, Coffee on the Circle, is designed to spill out onto the pavement and scoop up passers-by, enlivening this currently rather quiet area.

Observant visitors will notice that CTICC 2's design is in keeping with its sister building, offering a seamless visual and event experience for those wanting to run events across the CTICC complex. Conversely, a number of new features have been included to attract event managers and visitors alike.

The most striking feature of CTICC 2, when standing in the luxurious reception foyer, is its impressive 28m floor-to-ceiling height. CTICC 2 is built on six floors – four levels above ground and two below. Exhibition halls span two floors with three halls per floor. The first mezzanine level houses meeting rooms and meeting suites while the second mezzanine level offers a beautiful terrace room. The second floor also houses further meeting suites.

Below ground there are parking bays, kitchens and service areas; and right at the top delightful open-air terraces await. Technological highlights include the installation of the Dali individualised lighting system, an ultramodern high-resolution CCTV system and automated blinds in every meeting room and hall – all of which will enhance the comfort and security of CTICC 2 visitors.



CTICC 2 pays homage to indigenous flora

### Elegant spaces aplenty

Over the years, the Roof Terrace venue at CTICC 1 has become one of the CTICC's most popular rooms, often used for cocktails and evening functions. CTICC 2 adds a further terrace room to the CTICC stable. In addition, there is perhaps the most stylish venue of all – our 500m<sup>2</sup> Mountain View Terrace. CTICC 2 also has more exterior balconies than the original building.

These will be exciting new additions to the CTICC's inventory. They invite the outdoors in and allow visitors to feel the pulse and rhythm of the city. Indeed, thanks to its multi-level structure, CTICC 2 offers views of both the harbour, Table Mountain and of Cape Town's Foreshore district, which is now undergoing dramatic changes due to a range of new infrastructure and construction developments.

The exhibition halls on the upper floors will not only be carpeted, but Exhibition Halls 8 and 10 also have external balconies that look onto the harbour. Even before the venue was open, this area had already captured the imagination of our sales teams, who had identified it as an ideal banquet hall.

The formal and informal meeting space will be of particular interest to corporate clients. These sub-divisible rooms face the city centre and each one has a balcony. These meeting rooms will be great venues for corporate meetings, training sessions and workshops. In keeping with our sustainability commitment and in homage to the biodiversity of the Cape Floral Kingdom, the centre's meeting rooms have been named after indigenous flowers of the Cape.

The names include Aloe, Arum, Bluebell, Daisy, Disa, Erica, Freesia, Geranium, Hibiscus, Nerina, Orchid, Pincushion, Protea and Watsonia. This design interpretation will also have been applied to interior finishings in other parts of the centre.

### Adding to our sustainable performance with style

CTICC 2 earned a 4-star Green Star rated design in line with Green Building Council of South Africa (GBCSA) guidelines. This means it incorporates a number of conservation principles into its construction and interior layout. Across the globe consumers and event managers are demanding companies follow sustainable business processes. From an environmental perspective waste management, energy consumption, local sourcing, and water conservation are key areas of concern for convention centres. The expansion project always had to have serious sustainability credentials and they are now being put into action.

With the construction complete, these principles have, quite literally, come to light. Topmost of these is the way CTICC 2 makes use of natural light. A "saw-tooth roof" design can both deflect direct sunlight while admitting natural light deep into the building. This, of course, saves on lighting costs, but also lets the positive effects of daylight in as well. Extensive glazing across the Western façade also bathes the centre's multi-storey public spaces and reception with natural light. These measures, as well as electrical sub-metering, energy-saving devices, waste management and water conservation processes, have earned the centre its GBCSA 4-star Green Star rating.

## GATHERING SUPPORT FOR OUR NEW POWERHOUSE

Sales and marketing teams have been working hard to create awareness of the new venue. CTICC 2 has struck a chord with international associations and by August 2017 we had already secured ten major international events up until 2022.

Our first event in the building will have taken place by the time you read this. The 21st Annual Congress of the South African Council of Shopping Centres (SACSC) is a 1 200-delegate event and will come of age in our brand-new building in September.

Our first consumer exhibition at the end of October will be MamaMagic – The Baby Expo, an established client that will, perhaps appropriately, also baptise our new exhibition halls.

In November, the 20th annual AfricaCom will be expanding into CTICC 2 for its tenth year at the centre. Then, the Global Food Security Conference in December 2017 will be completely hosted in CTICC 2, seeking solutions for feeding earth's nine billion people.

Come 2020 the World Ophthalmology Congress promises to attract 15 000 delegates and will be the largest event the centre has secured in its 14-year history. We would not have been able to secure this event without the expansion.

International experts in biomedicine will meet in CTICC 2 for the 18th International Congress of Immunology in August 2022. With a forecast attendance of 6 000 delegates, the conference will also be using both CTICC buildings.

Winning these bids shows the potential of CTICC 2 and the vital role the CTICC plays in developing the knowledge economy and supporting African participation in global issues, while at the same time ensuring direct economic benefit to the citizens of Cape Town and the Western Cape.



# 10

**Major international events already secured up until 2022 for CTICC 2**



## UNCOVERING CAPE TOWN'S HISTORICAL PIER

As sometimes happens on construction sites, history is revealed when you least expect it. In our case, we were digging to build the centre's underground service tunnel linking CTICC 1 to CTICC 2. In the process, contractors uncovered concrete, structural remains of the historical Cape Town Harbour pier, which was demolished during the reclamation of Cape Town's Foreshore area from the sea in the late 1930s.

The discovery caused a delay to the construction of the tunnel while archaeological and heritage specialists assessed the remains. Following consultation with Heritage Western Cape, we removed a portion of the pier and stabilised the old pier beneath the foundations.

In line with Heritage Western Cape's approval, the CTICC agreed to develop a pictorial display of the pier, which is currently underway. There are a number of archival images of the original pier in its heyday and the display will acknowledge the position of the pier, as well as tell the story of the dramatic changes to the Foreshore area that have occurred since the 1930s.



Photo: The National Library of South Africa ©

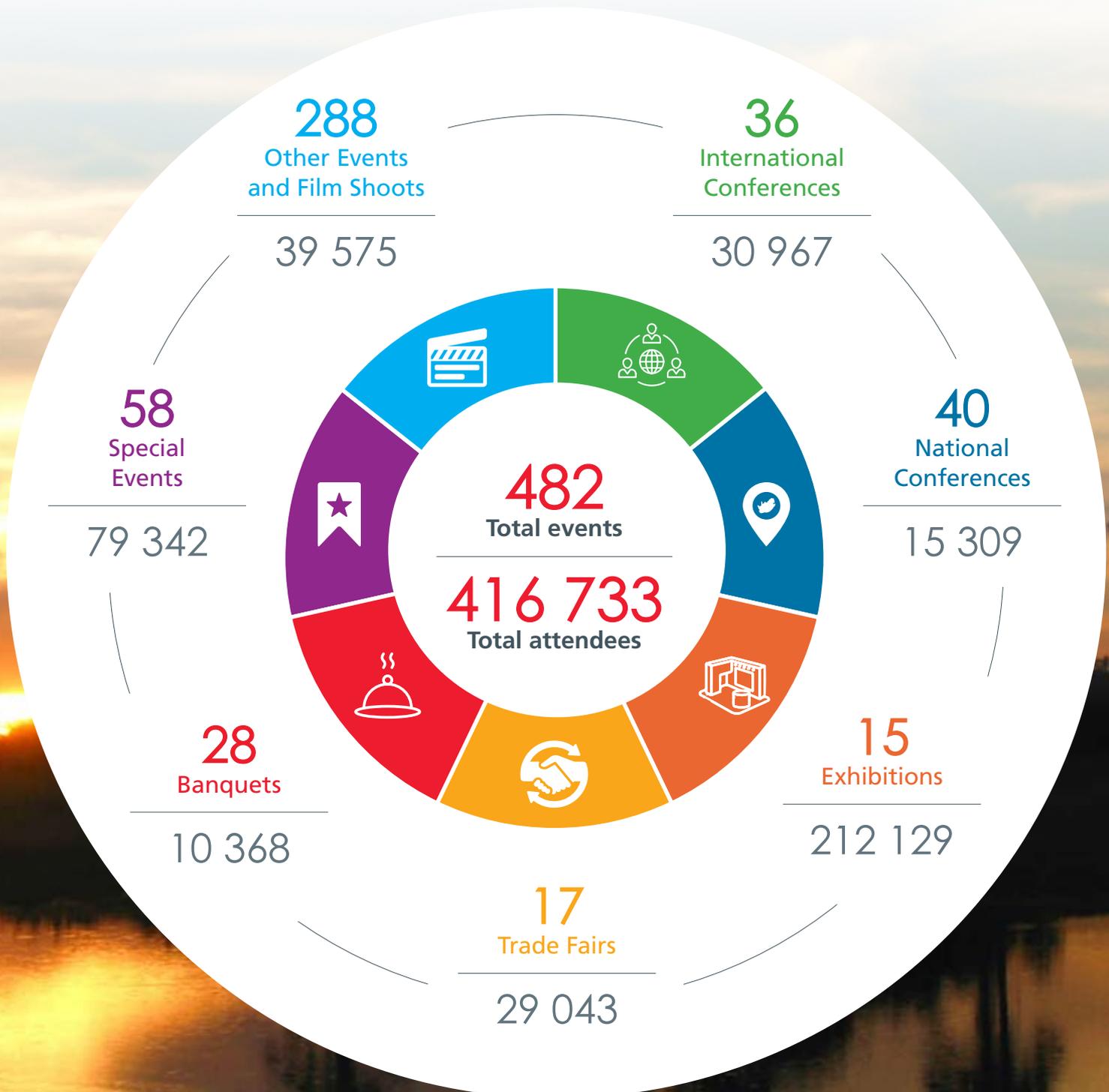
## EVENTS REVIEW



OUR EVENT REVIEW:  
A POWERFUL PERFORMANCE DELIVERED WITH PANACHE

**Reviewing the events of 2016/17**

Total events hosted per event segment with attendance figures





The financial year saw us host 482 events and a total of 416 733 delegates and visitors. For 2016/17, the CTICC recorded 789 809 visitor days.

We hosted 36 **international conferences**, four more than our KPI target. Attendance at medium (500 to 1 000 delegates) and large (more than 1 000 delegates) international conferences is, however, lower and this may be due to reduced budgets for international conferences, with fewer delegates being sent to international events.

These lower delegate numbers are mitigated, to some extent, by visitors staying for longer. The average stay – 4.6 days – is the longest in three years. Fortunately for the regional economy, Cape Town and South Africa remains a desirable destination for both business and leisure tourism. This induced tourism, tourism instigated and encouraged by delegates visiting Cape Town and South Africa for the first time and staying on and returning to visit consequently, has been a key mitigating factor in the past year.

There were more **national conferences** during the year under review: 40 – the second highest since opening in 2004. Small national congresses (less than 250 delegates) increased the most from 11 in 2015/16 to 17 in 2016/17, while both medium (250 to 500 delegates) and large (more than 500 delegates) national conferences also increased in number over 2016.

In this segment, the total number of delegates was 15 309 – higher than the 12 556 in 2016 and comparable to the 14 634 in 2014 and 16 624 in 2015. The average duration of national congresses has, however, dropped considerably. Again, budgetary constraints within a struggling national economy is a likely factor.

Events, including **exhibitions, trade fairs, shows, concerts, banquets, special events** and **other meetings**, were either on a par with last year's figures or slightly down. We also experienced lower attendance at many repeat events in 2016/17. Special event numbers have increased considerably due to the 38 church services held at the CTICC which were attended by over 25 000 worshippers.

For the 15 **exhibitions**, which was the same number as the previous year, visitor numbers were higher at 212 129 vs 195 312. We have also welcomed newer consumer exhibitions such as FanCon, the first annual SA International Tattoo Convention and the Electronic & Gaming Expo that attracted a younger audience than we traditionally attract.

Overall, many of the event trends which played out during the financial year were externally influenced and largely out of our control. Government and corporate cost reduction measures affect conference attendance, while ongoing economic constraints affect both international and national event bookings.

## EVENT HIGHLIGHTS OF THE YEAR: DELIVERING AFRICAN POWER, PANACHE AND PERFORMANCE

We have selected an interesting collection of case studies across the segments to illustrate our African power, panache and performance theme. Certainly we believe they represent elements of stature, style and service in each case. Key additional aspects to our work include a commitment to building the knowledge economy, supporting the City of Cape Town and Western Cape Government's growth strategy and enhancing the region's catalytic growth sectors.



**“Through our Invest Cape Town brand initiative we are actively promoting Cape Town internationally as a forward-looking, globally competitive business city. We are going to the world to say we are more than just an iconic tourist city, we are open for business.”**

**Patricia de Lille**  
Executive Mayor: City of Cape Town

**“We have a focused approach to growing the economy through our Project Khulisa economic strategy, which is seeking to boost our tourism, agri-processing and oil and gas sectors. Along with these priority sectors, we are also driving the growth of the country's green economy.”**

**Alan Winde**  
Western Cape Minister of Economic Opportunities

## Building the business of entrepreneurship for free



### My Business Expo 2016

The second My Business Expo, hosted by the National Small Business Chamber and free to pre-registered delegates, has grown from its inception in 2015, when about 1 000 delegates attended, to 4 000 in 2017.

Entrepreneurship is promoted as the saving grace of the South African economy in general and unemployment in particular, but a major concern is the country's low level of start-up activity. Indeed, statistics show that although 73% of adults recognise entrepreneurship as a good career choice, just 9.2% actually start businesses.

There are many mixed messages when it comes to the state and health of South African entrepreneurship, but the need to create a culture of self-employment, self-reliance and sustainability remains imperative.

The My Business Expo focuses on the fact that entrepreneurship provides one of the main engines of growth in a healthy economy. Highlights of the 2016 show included Build a Business Live, led by four global entrepreneurs, while other elements included the Business Start-Up Expo with over 100 exhibitors, as well as the Access to Finance Indaba, The Franchise Show, a Financial Wellness Zone and a Trading Across Borders section, the latter two sponsored by Experian and DHL respectively.

These bespoke events offered invaluable and practical insight into business finance, financial wellness and global trading – all key aspects of sustainable business.

The CTICC has hosted this dynamic event for three years now and very much hopes to see it grow into the future.



**Trade Fair**



**Date:**

25 August 2016



**Sector:**

Business Process Outsourcing



"My Business Expo and Business Start-up Show is the biggest and most successful show of its kind in Africa for anyone starting or growing their business. With an array of exhibitions, workshops and seminars, location and the flexibility of the venue are critical elements. The CTICC offers this and more. It's a beautiful venue and it has a homely feel to it. CTICC made sure My Business Expo 2016 ran smoothly and was a great springboard for an even more successful 2017 event."

**Twané Gouws**

Head: National Sales & Operations,  
National Small Business Chamber

## The rise and rise of FanCon: cosplay and geek power comes to SA



### 2nd FanCon 2017

Geek conventions are a rapidly growing worldwide trend, with a comic con happening in every major city in the world, while the American big daddy Comic-Cons regularly attract over 100 000 visitors. South Africa is catching the wave and growing, with this year's second FanCon attracting a healthy 6 000 cosplaying fans over its two-day span. Blockbuster comic hero-based movies like Iron Man and Wonder Woman simply stoke the fire.

In many ways, FanCon welcomes another world through the CTICC's doors: an altogether more colourful, enthusiastic and occasionally somewhat bizarre world. People dressed up as their comic book heroes (cosplay) and came right along to meet other fans, as well as over 40 comic book artists from all over South Africa, as well as visiting international comic professionals.

There were talks, there were demonstrations and there was a lot of cosplay on stage and in the aisles. While co-organiser Nizar Abrahams was well pleased with the venue and how the show has grown, the best accolades came from the discerning comic fans themselves. And they are what will help FanCon grow into our new CTICC 2 Exhibition Halls 8 & 9 in 2018 – already booked.

One said: "I can now state confidently that FanCon is South Africa's only 100% legitimate comic convention" and then generously complimented the CTICC's venue as "brightly lit, spacious and world-class". Many other reviews have echoed this enthusiasm for both the venue and the event. Clearly geek culture is very much alive and well in Cape Town.



#### Exhibition



#### Dates:

29 – 30 April 2017



#### Sector:

Entertainment and Creative Industries



"What sold the event was the service that we received during the actual event. Here I am talking about the CTICC's Event Service Managers, the Safety Officer and everyone else who supported us during the event itself. CTICC is absolutely the right place to host this event – it really works for my show."

#### Nizar Abrahams

Co-organiser, FanCon

## Doing the downward dog for a good cause



### 2nd International Day of Yoga

The United Nations General Assembly declared 21 June International Day of Yoga in 2014, in recognition of its mental and physical health benefits. This year, sponsored by Adidas and ourselves, 1 000 yogis joined us on Saturday, 17 June for a day of yoga workshops, supported by a health and fitness market.

The sight of more than 1 000 people lined up in Hall 1 doing the downward dog together was something to behold and the simple power of that many people calmly focusing, balancing and meditating did wonders for the karma in the building that day – and, we can hope, beyond our walls and borders as well. It was incredible to see how popular both yoga and the day itself was: truly uplifting.

Tickets were free but donations to the day's two designated charities were encouraged. This raised R55 000 for the Earthchild project, which means 160 children will get one yoga class a week for the next year, and for the Mothers2Mothers project, which will allow vulnerable mothers to get the right care and information to help them give birth to an HIV-free baby. A truly worthwhile day: good for body, mind and spirit.



#### Special Event



**Date:**  
17 June 2017



**Sector:**  
Health and Fitness



"I could never have dreamt that this humble initiative of mine would grow to become such a fantastic event. It was so magical to reunite so many yogis and see how they enjoyed the gift of yoga together. From the word go we received the greatest support from the CTICC, Adidas, local yoga studios and businesses, all of which geared up to make this event a great success."

**Joëlle Sleebos**  
International Day of Yoga event host

## Hosting the Geological Olympics with African panache



### 35th International Geological Congress

The International Geological Congress (IGC) first took place in 1878 and arrived in Pretoria, South Africa, in 1929, since when it has been held only once more in Africa, in Algeria in 1952. This year's 4 000-strong international gathering completes Africa's hat trick, with the CTICC hosting delegates from 117 countries at a conference offering over 2 900 oral and 1 700 poster presentations. This was a powerful conference of stature and is proudly called the "Olympics" of Geology.

Importantly, considering Africa's substantial mineral resources, efforts were made to bridge the distance between often under-resourced African geoscientists and geological opportunities. The launch of the PanAfGeo initiative – a collaboration between the Organisation of African Geological Surveys (OAGS) and EuroGeoSurveys – at this IGC also confirmed through its inaugural survey the industry challenges geology faces in Africa.

As a profession known for studying the most ancient aspects of our earth through resonant themes such as "The Hadean and Archaean Earth" and "Volcanology", it also did not shy away from addressing more current themes like "Groundwater and Hydrogeology", whose focus on water sources was not lost on the Cape Town audience, as well as the more critical "Resourcing Future Generations".

Mining, a core economic bedfellow of geology, is currently struggling against a resources slump and the IGC's organisers remarked that it "took place against the backdrop of extremely difficult economic times" but nevertheless concluded that the eight years of planning had resulted in a resoundingly successful event.



#### International Conference



**Dates:**  
27 August – 4 September 2016



**Sector:**  
Mining and Tourism



"When South Africa bid to host the IGC, factors such as an attractive setting, adequate congress facilities to host the 4 000-plus presentations and nearby accommodation were taken into account. Cape Town, and specifically the CTICC, offered all of these."

**Greg Botha**  
Secretary-General, IGC

## Showcasing the powerful potential of technology to restore mobility



### 16th World Congress of the International Society for Prosthetics and Orthotics (ISPO)

When the topic is prosthetics, the performance of blade-runners comes to mind; but to most people with limb loss, the day-to-day challenges of brushing your teeth or walking down the street matter more. In this regard, the 16th World Congress of the International Society for Prosthetics and Orthotics (ISPO) lived up to the ISPO vision of “contributing to a world where all people have equal opportunity for full participation in society”.

According to ISPO, there are 32 million amputees in the world today. Ninety percent of them do not have access to appropriate devices and there are too few trained prosthetists (artificial limb makers) and orthotists (mobility technicians).

The congress, ISPO’s “flagship event” which takes place every two years, came to African shores for the first time since the inaugural congress was held in Montreux, Switzerland, in 1974. The CTICC, together with the ISPO local organising committee, was awarded the bid to host the conference in 2013.

The congress theme, “Assistive Technology for All”, addressed this with a strong emphasis on the way technology, including 3D printing and AI, can change the way prosthetists and orthotists work. To that end 1 300 professionals from over 100 countries attended 53 symposia, 22 training courses and around 500 free papers and poster presentations, along with an exhibition showcasing the latest product innovations from 120 exhibitors from 31 countries. The potential for prosthetic limbs to “learn” seems within reach. The future, according to ISPO, certainly looks bionic.



#### International Conference



**Dates:**  
8 – 11 May 2017



**Sector:**  
Medical Technology



“The CTICC has a great product: it's a great space with great services and people feel very welcomed.”

**Michael Podt**  
ISPO Organising Committee

## The high-performing Western Cape property market comes to the CTICC



### 1st Western Cape Property Buyer Show 2017

The inaugural Western Cape Property Buyer Show exceeded all expectations. The top-performing property market in the country drew local and international interest alike and also attracted big property name sponsors such as Balwin Properties, FNB, Nedbank, Pam Golding Properties, Private Property and Standard Bank. In addition, over 40 leading estate agents and developers were at the show, representing a vast range of property investment options.

The innovative exhibition layout was designed to walk buyers through the property buying process, creating a literal one-stop shop, including a finance zone, property zone, first-time buyer seminar theatre and a property investor theatre, which was often standing room only over the two days of the show.

Aimed at residential property buyers who either want to buy their first home or build wealth through their own property investment portfolio, the show was a huge success and saw over 3 000 property enthusiasts attend.

Sponsors and exhibitors at the show added to the property-powered atmosphere by ensuring visitors enjoyed their experience, with FNB serving great coffee, Standard Bank running an interactive “unlock the door” competition, Niche Communications providing visitors with 3D virtual show houses and Private Property & Chas Everitt Property Group Western Seaboard setting up fun selfie walls. A property showcase with panache!

Following the show’s tremendous success at the CTICC, there will be a Property Buyer Show JHB taking place in October with further Cape Town, Johannesburg and Durban editions already in the planning stages for 2018.



**Exhibition**



**Dates:**  
8 – 9 April 2017



**Sector:**  
Property



“It was really encouraging to see property being purchased at the Property Buyer Show on the weekend. The phenomenal success exhibitors had at the event affirms that the event model works and is a win-win for buyers and sellers. The CTICC was an ideal venue to launch this exhibition, underscoring the importance of the Western Cape property market. Hosting the event at CTICC also gave us the best opportunity to examine and test the business model for further roll-out. Now we can plan the launches in Johannesburg and Durban.”

**Richard Stubbs**  
Event Director, Spintelligent

## Powerful music performances and big hearts



### The Real Concert Series

Over the years, the Real Concerts team has showcased spectacular music and comedy at the CTICC. Roddy Quin and his team have a long history of music promotion, including some of the biggest outdoor events in South Africa and the very first stadium tours of Mango Groove and Johnny Clegg in the 1980s. More recently he has brought global stars such as Youssou N'Dour, Joan Armatrading and Massive Attack to our shores, to name but three in a long, long list.

The showpiece this year was billed as a unique collaborative concert featuring South African rock royalty Prime Circle and Just Jinjer, together with more recently rising star Tailor. The concert was held in our main Auditorium 1, and the stage was set for an exclusive and unforgettable evening.

This was, however, the week of the Knysna fires and Prime Circle asked its fellow musicians to agree to selling 1 000 tickets for a considerably reduced price of R200 and donating all the proceeds to support those affected by the Knysna fires.

The concert was a sell-out and the CTICC also came to the party by donating its R72 000 venue fee, bringing the total amount raised to R272 000 for the Knysna fire beneficiaries. An extraordinary performance of individual sets and collaborative performances made for a memorable evening – made all the more so by the funds raised.



#### Special Event



**Date:**  
10 June 2017



**Sector:**  
Entertainment



"Real Concerts was delighted to hear that the CTICC joined in our fundraising initiative and donated their revenue of the concert series that we hosted at the centre with Just Jinjer, Prime Circle and Tailor. Together with the donation made from the sale of the concert tickets and the money donated by the CTICC, we hope that it will help the community of Knysna."

**Roddy Quin**  
Owner, Real Concerts

## Disruption and transformation: powerful words at the SA Property Owner Association Convention



### 2017 South African Property Owner Association Annual Convention & Property Exhibition

With a theme of Disruption cleverly typeset with reversed letters, the 2017 South African Property Owner Association (SAPOA) Annual Convention and Property Exhibition was always going to be different. Seeking to “Rewrite the Rules, Reshape the Industry and Reinvent the Game”, it certainly invited the great and the good and, in some measure, the controversial to address its property-owning audience.

These sessions sought to inform an industry that has its challenge. Commentators report that property investors are still concerned that a lack of strong legal structures and reliable rules make the decision to invest in other African countries difficult. This appears to be the case even though many African countries are actually offering very high growth relative to a decreasing degree of risk, as compared with the likes of Western Europe and America.

Other speakers were equally direct about the challenges facing South Africa, while some sought to find hope in emerging pockets of property growth. Still others won awards for Journalism or Property Development Excellence. The new Sasol building in Johannesburg won the day this year but we are proud to say that the CTICC, too, has won the very same SAPOA Award for Innovation Excellence in 2004.



**National Conference**



**Dates:**  
20 – 22 June 2017



**Sector:**  
Property



“Thank you to the sponsors, speakers, exhibitors and delegates for making the 2017 SAPOA Convention & Property Exhibition such a huge success. The many networking opportunities to meet and interact with the leading property professionals, industry leaders, friends and colleagues as well as sponsors and exhibitors were astounding. The social events offered a little something for everyone and truly positioned Cape Town as one of the world's most popular tourist destinations.”

**David Green**  
Committee Chair, SAPOA Convention 2017

## Breakfast with the country's top political analysts



### State of the Nation Business Breakfast Series

The State of the Nation (SONA) Business Breakfasts provide business leaders, their clients and stakeholders with incisive and informed analysis regarding the ever-evolving political landscape in South Africa. Answering critical questions like: "What is going on?" and "When will it end?", SONA guest speakers unpack the news for those who are keen to be on the inside track.

Journalists Stephen Grootes and Bruce Whitfield discuss with political analysts such as Martin Davies, Justice Malala, Tony Leon and Ralph Mathekga the scenarios that planners like Clem Sunter and Chantell Ilbury portray for audiences. In doing so, they provide that most important of commodities: reliable information. The rate of news in South Africa makes it almost impossible to keep abreast of events so these breakfasts at the CTICC allow guests to make sense of it all, as they have done since 2012.

Organised by Decision Makers, who have run business conferences since 2003, and sponsored by Deloitte Consulting, this event has grown into one of the leading brands on the South African corporate event calendar.

Tables of eight or 10 people can be booked with the CTICC's great cuisine providing fine accompaniment to the intellectual food for thought on offer. The breakfasts occur approximately quarterly and book out almost as fast as our political events unfold. As Mathekga says: "Anything can happen... 2019 is going to be really exciting." And no doubt the rest of 2017 and 2018 will be too.



#### Other Events and Film Shoots



**Dates:**

24 August 2016, 14 October 2016  
and 31 May 2017



**Sector:**

Business and Politics



"The food at this event was far better than the breakfasts that we hosted in Joburg... so kudos to the CTICC! The menu choices were excellent."

**Avril Sumerun**

Events and Finance Administrator, Vibrant Media

## South Africa's favourite Wine Awards pair wine and food with panache



### 26th Veritas Wine Awards Gala Dinner 2016

The Veritas Wine Awards has a long and august 26-year history, starting in 1991, and it remains the warm heart of the South African wine awards landscape. These awards are open only to those who produce more than 1 200 bottles of the wines they present for judging, so they very much mean something to the general public.

The CTICC is consequently very proud to have hosted Veritas for the past 10 years and will be hosting them again this October. This includes the popular public tastings, where hundreds of wine lovers come to taste the Veritas Double Gold and Gold medal winning wines and brandies each year. More recently, we have also hosted the Veritas Wine Awards Dinner, a gala dinner for 750 guests that challenges our chefs and kitchens to conjure a banquet of memories.

Wine is one of South Africa's main agricultural export successes, although, as Veritas's own website admits, we do have an identity challenge – our reputation for plonk and fine wines missing the lucrative middle ground which we could conquer with our signature Chenin and Pinotage varieties. One hope is emerging market interest from the likes of China and the United States – a great opportunity for South African wine to cement a far wider reputation for good quality wines at every level.

The banquet that crowns the Wine Awards is a rather special occasion and our then Executive Chef Warwick Thomas and his staff excelled themselves, culminating in a show-stopping dessert presented with considerable panache in a half wine bottle. Its components? A white chocolate mousse with raspberry coulis, poached pear, micro-herbs, sliced grapes plus cheese and a cracker! A fitting climax to the wine awards that just keeps on giving.



**Banquet**



**Date:**

7 October 2016



**Sector:**

Agro-processing



The Veritas Awards for Wine and Brandy is South Africa's longest running wine and brandy show organised by the wine industry for the industry. The Awards Gala Dinner – a black tie affair – is known as the “Oscars” of the industry and the culmination of a long and arduous judging process. The Ballroom venue, cuisine, ambience and service are important accompaniments to the announcement of the Double Gold and Gold award winning wines and brandies. The CTICC management understands our vision and the centre's team becomes an extension of our own strive for excellence on the night. That's why we have booked with the CTICC year after year.”

**Bennie Howard**

Veritas Vice-chairperson

## STORIES FROM OUR KITCHEN: FOOD AND WINE IN PERFORMANCE

The CTICC lies at the heart of a city whose reputation for food and wine is celebrated throughout the world. This powerful reputation for flair with food does not escape the creative juices of our chefs and kitchens, who are constantly striving to make our food and beverage offerings not just a festival of taste and texture but also a performance to remember.

This year we have several culinary stories to tell, chief of which is the appointment of our Executive Chef, the highly experienced and creative Roberto de Carvalho.



### The CTICC welcomes a National Culinary Team captain: our new Executive Chef Roberto

Chef Roberto De Carvalho has over 20 years' experience in creating fine dining experiences. As such, he joins the CTICC's food and beverage team with considerable culinary accomplishment to his name, not least of which is his track record as a medal-winning captain and member of the South African National Culinary Team.

Born and raised in Johannesburg, Roberto joins the CTICC from the One & Only Hotel Cape Town, where he held the position of Resort Executive Chef for over three years. Prior to that, he served as Executive Head Chef at The Twelve Apostles Hotel for more than eight years and was also Senior Chef de Partie at the Park Hyatt Rosebank. In addition, before joining the One & Only, Roberto ran his own restaurant, Roberto's Signature Restaurant, in Long Street, Cape Town.

As that resumé implies, Roberto has a wealth of experience in the hospitality sector, all of which is being brought beneficially to bear on the CTICC's culinary offering. The CTICC's kitchen – which has 14 satellite kitchens throughout the centre – offers an Executive Chef a unique challenge and culinary palette.

Roberto's qualifications in Professional Cookery range from the Hospitality Industries Training Board to the Cape Technikon (now the Cape Peninsula University of Technology), where he earned a Diploma in Professional Cookery. He also has a Certificate in Food Preparation and Cooking from City & Guilds of London.

Already Chef Roberto's flair is being felt in an array of innovations now available from the Food & Beverage division of the CTICC.



Centre Stage with Chef Roberto

### Come dine with me on stage: a CTICC dinner innovation

This year, for the first time, we are offering intimate groups the chance to have dinner on the stage of our largest auditorium. The suggestion is not to fill the auditorium with adoring Come Dine with Me fans, but rather to revel in the charged atmosphere of a large auditorium while being on a stage commanded by many famous names before you. This is your chance to be on stage – and be waited on by a bevy of professional chefs, who will finish your food on stage – sauté, brûlée, flambé: whatever takes your fancy.

There is also something about being served dinner on a presentation stage: it definitely makes the event a performance. However, we believe the star should always be the food and beverage combinations made available to guests; and in this case the menus are very much chef's choice and created by our hot, cold and pastry chefs right before your eyes, on stage. Needless to say, a string quintet or even a romantic single violinist can be arranged by us as well.

We hosted eight guests from Bowman Ingredients SA – potential CTICC clients – for a special luncheon of rooibos-smoked beef tenderloin with pickled baby beetroots, citrus-infused crispy duck breast and Bavarian cream panna cotta. The stage was set with mobile cooking, beverage stations, an elegantly arranged white dining table and relaxing music.

“Words fail to express how thankful we all are for the wonderful experience we had on Saturday, 8 July along with Chef Roberto, his team and your amazing CTICC team! They were all so attentive to our needs and we felt truly special and uplifted in so many ways. The ambience was really special along with the lovely music which accompanied us. Thank you!”

**Natasha le Pere**

Bowman Ingredients SA



### Eating backwards: another CTICC innovation

Another creative option on offer from the ever-innovative CTICC kitchen is the reverse menu. This is not about starting with champagne and smoked salmon, decadent though that might normally be. This is something quite different. This is when your senses are tricked by that chocolate cake you just got presented as a starter – only it's not chocolate cake at all, but rather a deceptively disguised beef carpaccio concoction. You'll have to see it – and taste it – to believe it! The innovation never stops at the CTICC.

### The CTICC's significant kitchen power

The kitchen at the CTICC is one of the largest in the Western Cape and is linked to fourteen satellite kitchens strategically located around the centre. Due to the size of the events it hosts, the CTICC's Food & Beverage department requires an executive chef that not only has a flair for creating memorable food but also has finely honed catering management skills. The CTICC kitchen offers Halaal-certified cuisine and caters all events at the CTICC – whether for 20 people or 6 000. It holds the SANS 10330 Certification for HACCP (Hazard Analysis and Critical Control Points) and follows the seven principles set out for food hygiene and safety.

### Getting creative with the cost of food

The ongoing drought has raised food prices 15% on average over the year in review. This high number is hard to absorb but we have managed to keep our spending tight and manage our food and beverage waste optimally. Part of this process is to ensure we constantly review how we purchase; how we control stock; and how we can improve our preparation processes in our kitchens and bars. These are now part of the way we do things, as the drought has reached crisis stage.



### Team CTICC receives top honours at Inter-hotel Challenge

The CTICC Food & Beverage team of Candidate Chef, Sive Godana, and Wine Steward, Nkululeko Khohlokoane, were recognised for their efforts during the prestigious Cape Legends & Artisan Inter-hotel Challenge 2017. Sive was named Most Promising Chef and Nkululeko was named Most Promising Wine Steward.

The Inter-hotel Challenge run by Showcook.com pits some of the best candidate chefs and wine stewards from the finest hotels and restaurants against each other. The Challenge also includes a series of comprehensive training workshops to encourage talent development in the industry. Godana and Khohlokoane were hand-picked by CTICC Executive Chef, Roberto De Carvalho, to represent the CTICC in the Challenge.

Sive, with the help and mentorship of CTICC Sous Chef, Dimitri Koopman, produced three winning dishes: a starter of grilled king prawn and salmon fillet with a fresh broad bean salsa, red pepper purée and baby leaf salad; a main course of short rib tagine meatballs, parsnip and carrot purée, and seasonal root vegetables; and a dark chocolate tart served with sabayon sauce, strawberries and fresh cream as the dessert.

The delicious food was accompanied by wine chosen by Nkululeko. Mentored and assisted by CTICC Beverage Manager, Ian Alexander, he paired the starter with Pongracz Brut, while the main was paired with Desiderius Pongracz and the dessert was accompanied by a Pongracz Rosé.

Sive received a bursary and will be furthering his studies in hospitality, while Nkululeko will receive sommelier training at the Cape Wine Academy. It was only the second year the CTICC has participated in the Challenge.

"I had such mixed feelings at the gala dinner. I was surprised. I was shocked. I didn't know what to say. It was the nicest feeling ever."

**Sive Godana**  
Most Promising Chef



"I was optimistic of my chances but when they started calling other people I thought I didn't make it. When they called my name, I was emotional. I even cried. It was very unexpected because there was so much pressure. But I didn't do it alone. It was a team effort."

**Nkululeko Khohlokoane**  
Most Promising Wine Steward

# PERFORMANCE HIGHLIGHTS FOR OUR SEVEN EVENT SEGMENTS

The following pages illustrate our performance for the year under review across the seven segments we use to record our event statistics: international conferences, national conferences, exhibitions, trade fairs, banquets, special events plus other events and film shoots.





## International Conferences



36

International Conferences held for the year under review

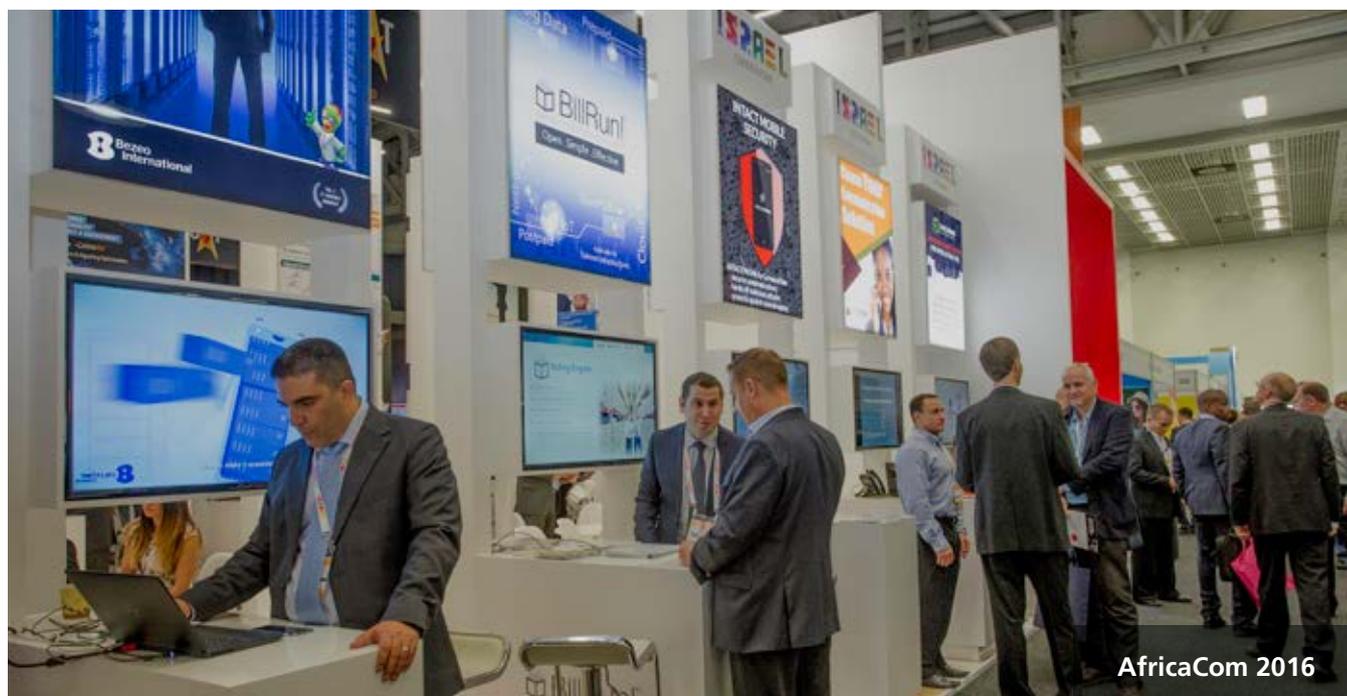


6 080

Highest attendance  
Investing in African Mining Indaba 2017



Investing in African Mining Indaba 2017



AfricaCom 2016

Month	Event	Pax
Jul 2016	27th International Nursing Research Congress (INRC) 2016	700
Aug 2016	Annual Meeting of the International Urogynecological Association (ICS/IUGA) 2016	718
Aug 2016	International Pittsburgh Coal Conference 2016 (PCC2016)	150
Aug 2016	Graduate Women International (GWI) 2016	246
Aug 2016	35th International Geological Congress (IGC) 2016	3 718
Sept 2016	World Congress of the World Society of Cardiothoracic Surgeons (WCCS) 2016	1 056
Sept 2016	World Plumbing Conference (WPC) 2016	200
Sept 2016	International Conference on Social Sciences 2016	100
Sept 2016	2016 International Partnership for Microbicides Clinical Affairs Annual Meeting: Plenary Session (IPM)	493
Oct 2016	CBC and IDSC contiguous meetings 2016	80
Oct 2016	International Conference on Research Infrastructure (ICRI) 2016	400
Oct 2016	Green Climate Fund Conference (GCF)	200
Oct 2016	23rd Africa Oil Week 2016	590
Nov 2016	World Congress on Endourology and Extracorporeal Shock Wave Lithotripsy (WCE) 2016	1 100
Nov 2016	CFO World Congress	280
Nov 2016	AfricaCom 2016	1 400
Nov 2016	13th International Congress of the World Psychiatric Association (WPA)	1 932
Nov 2016	17th International Conference of Drug Regulatory Authorities (ICDRA)	460
Nov 2016	IMN's African Capital Markets Conference 2016	350
Dec 2016	African Society for Laboratory Medicine Annual Meeting 2016	1 620
Jan 2017	United Nations World Forum on Data for Sustainable Development 2017	1 200
Jan 2017	United Nations Economic Commission for Africa	70
Feb 2017	Investing in African Mining Indaba 2017	6 080
Feb 2017	Informa Telecoms and Media   T&M/JW NGON Africa 2017	50
Feb 2017	NEOLife (GNLD)	350
Feb 2017	The 31st International Papillomavirus Conference in Cape Town (IPVS) 2017	1 250
Mar 2017	Open Education Global 2017	220
Mar 2017	AB/INBEV Conference	219
Mar 2017	Royal Congress of Obstetricians & Gynaecologists World Congress (RCOG) 2017	2 300
Apr 2017	Conference of Constitutional Jurisdictions of Africa (CCJA)	330
Apr 2017	Eventyr Group Conference	200
May 2017	Association of Prosthetists & Orthotists (APO) – SADC Region Congress	320
May 2017	FIDIC GAMA-AFRICA Conference and Annual General Meeting 2017	230
May 2017	16th World Congress of the International Society for Prosthetics and Orthotics (ISPO) 2017	1 300
May 2017	1st Pan-African Life Insurance Conference – Cape Town 2017	155
Jun 2017	Annual Meeting of the World Aquaculture Society 2017	900



## National Conferences



**40**  
National Conferences held  
for the year under review



**1 350**  
Highest attendance  
Actuarial Society of South Africa Annual  
Convention 2016



Actuarial Society of South Africa Annual Convention 2016



Gartner Symposium/ITxpo Africa 2016

Month	Event	Pax
July 2016	Board of Healthcare Funders of Southern Africa Conference	730
Aug 2016	Southern African Development Community Lawyers Association ACGM	400
Aug 2016	Shoprite Financial Presentation	120
Sept 2016	PwC Higher Education Conference	195
Sept 2016	Microsoft Cela MEA Summit	50
Sept 2016	Barclays Consumer Conference 2016	180
Sept 2016	National Research Foundation Conference	250
Sept 2016	South African Clothing and Textile Workers' Union (SACTWU) Congress	900
Sept 2016	Gartner Symposium/ITxpo Africa 2016	1 001
Oct 2016	Morningstar Investment Conference	230
Oct 2016	Ackermans 100th Birthday Conference	400
Oct 2016	South African Reserve Bank: FSB RCG Meeting	52
Oct 2016	Oracle Partnering For Africa	68
Oct 2016	Windaba 2016	375
Nov 2016	African Real Estate Summit 2016	300
Nov 2016	Beyond the Fact Sheet: To Client Outcomes	60
Nov 2016	Actuarial Society of South Africa Annual Convention 2016	1 350
Nov 2016	CQS User Groups	300
Nov 2016	African Agri Investment Indaba	550
Dec 2016	TRANCRAA Consultative Workshop	300
Dec 2016	IEP & IRP Stakeholder Consultation	335
Feb 2017	Old Mutual BD Kick Off Event 2017	380
Feb 2017	The eCommerce Africa Confex 2017	552
Feb 2017	Seventh Wood Conference	603
Feb 2017	Pan South African Language Board	250
Mar 2017	The Pension Lawyers Association	430
Mar 2017	Smart Procurement World 2017	600
Mar 2017	Pan African Meeting	70
Mar 2017	HR Directors Conference 2017	200
Apr 2017	Milla SA	62
Apr 2017	Bonds & Loans Africa 2017	300
Apr 2017	Avon National Sales Meeting	51
May 2017	Institute of Accounting and Commerce Conference	135
May 2017	Sharia'h IC	90
Jun 2017	Africa Oil & Power 2017	332
Jun 2017	Leadercast	140
Jun 2017	Sanlam Future Leaders Conference 2017	280
Jun 2017	Sanlam Senior Managers Conference 2017	388
Jun 2017	South African Property Owners Association (SAPOA) 2017	1 000



## Exhibitions



**15**  
Exhibitions held  
for the year under review



**40 009**  
Highest attendance  
Old Mutual Two Oceans  
Marathon Expo 2017



Old Mutual Two Oceans Marathon Expo 2017



Good Food and Wine Show 2017

Month	Event	Pax
Jul 2016	Electronic & Gaming Expo (EGE)	9 000
Jul 2016	Factory Shop Exhibition 2016	6 000
Sept 2016	Cape Homemakers Expo 2016	38 755
Oct 2016	Hobby X 2016	16 000
Oct 2016	MamaMagic – The Baby Expo 2016	20 500
Feb 2017	Cape Town Art Fair 2017	13 000
Mar 2017	The South African Tattoo Convention	2 500
Mar 2017	Cape Vape Festival	1 602
Apr 2017	Property Buyer Expo	3 104
Apr 2017	All Things Yummy & Easter Bunny Show	3 500
Apr 2017	Old Mutual Two Oceans Marathon Expo 2017	40 009
Apr 2017	Decorex Cape Town 2017	36 531
Apr 2017	FanCon 2017	6 000
Jun 2017	Good Food and Wine Show 2017	11 128
Jun 2017	The Wedding Expo 2017	4 500



 **17**  
Trade Fairs held  
for the year under review

 **7 477**  
Highest attendance  
African Utility Week 2017



African Utility Week 2017



Seamless Africa 2017

Month	Event	Pax
Aug 2016	Cape Construction Expo 2016	1 200
Aug 2016	Spar Trade Show	650
Aug 2016	ViniMark Trade Show 2016	350
Aug 2016	My Business Expo 2016	1 000
Sept 2016	Cape Industries Showcase 2016	1 000
Sept 2016	Shoprite Checkers Christmas Conference and Supplier Awards	1 150
Nov 2016	Apparel, Textile and Footwear (ATF) Expo	1 800
Jan 2017	Cape Premier Yearling Sale 2017	4 500
Feb 2017	Samsung Africa Forum 2017	500
Mar 2017	The Council for Leather Exports (CLE) India Leather and Footwear Expo	700
Mar 2017	Seamless Africa 2017	400
Mar 2017	Sign Africa 2017	1 665
Apr 2017	Spar Trade Show	484
Apr 2017	Africa Travel Week 2017	5 117
May 2017	Elite Star Trading (EST) Africa	250
May 2017	African Utility Week 2017	7 477
May 2017	Source Africa 2017	800



**Banquets**



**28**  
Banquets held  
for the year under review



**553**  
Attendance  
BPESA National Awards



**BPESA National Awards**



Toyota National Dealer Awards

Month	Event	Pax
Jul 2016	The Hoff Wedding	75
Jul 2016	Association of Black Accountants of South Africa Dinner 2016	478
Jul 2016	Gala Dinner for Professionals, Academics and Business with Deputy President Cyril Ramaphosa	282
Aug 2016	Joe Slovo High School Matric Ball	65
Aug 2016	SA Young Wines Banquet and Wine Tasting	371
Aug 2016	South African Institute of Chartered Accountants Southern Region Annual Dinner 2016	375
Sept 2016	UCT PGDA Formal	377
Sept 2016	Centre of Science and Technology (COSAT) Matric Ball	104
Oct 2016	Sea Point High School Matric Farewell	75
Oct 2016	Veritas Wine Awards 2016	750
Oct 2016	BPESA National Awards	553
Nov 2016	Equity Bank Dinner	220
Nov 2016	ICDRA Side-event: EMA Dinner	90
Nov 2016	Maritime Graduation	300
Dec 2016	DirectAxis SA Gala Dinner 2016	1 010
Dec 2016	Transnet Long Service Awards Luncheon	130
Dec 2016	South African Peace Foundation	400
Dec 2016	Area Military Health Unit Western Cape Gala	108
Dec 2016	Baker Tilly Greenwoods Annual Function	241
Dec 2016	Leadership Behaviours Charter Launch	260
Feb 2017	Ubuntu Awards Gala Dinner 2017	495
Mar 2017	Toyota National Dealer Awards	480
Apr 2017	Karen 21st Birthday	200
May 2017	1000 Women 1 Voice Fundraising Luncheon	950
May 2017	PK Thiba & Associates	110
Jun 2017	Merle's 60th Surprise Birthday Party	60
Jun 2017	Dinner Manulife Insurance Company Incentive Group Malaysia	209



**58**  
Special Events held  
for the year under review



**35 700**  
Highest attendance  
Cape Town International Jazz Festival 2017



Cape Town International Jazz Festival 2017



Month	Event	Pax
Aug 2016	International Shotokan Karate Federation of South Africa	850
Sept 2016	Our Cape Town Showcase	750
Sept 2016	Discovery Day	800
Sept 2016	Momentum Health Summit Launch	380
Oct 2016	Jazz & Taiko Drum Concert by Terumasa Hino Quintet & Female Drum Group Himiko	588
Oct 2016	Veritas Public Tasting	482
Oct 2016	Deloitte Veritas Wine Tasting	550
Nov 2016	Jireh Community Projects	1 300
Dec 2016	Zakir Hussain Live in Concert	1 500
Dec 2016	Bayyinah Story Night	1 460
Dec 2016	The Mostafa Atef SA Tour	2 200
Dec 2016	2017 Metro FM NYE Party @ Marimba	1 800
Jan 2017	Christ Embassy Church Service	750
Feb 2017	Christ Embassy Church Service	750
Feb 2017	Chinese Cultural Showcase	200
Feb 2017	Christ Embassy Church Service	1 162
Feb 2017	BCX Launch	800
Feb 2017	Toyota Regional Dealer Convention	200
Feb 2017	Christ Embassy Church Service	600
Feb 2017	Sinai Indaba VI	1 200
Mar 2017	Christ Embassy Church Service	1 500
Mar 2017	Christ Embassy Church Service	1 100
Mar 2017	Christ Embassy Church Service	850
Mar 2017	Cape Town International Jazz Festival 2017	35 700
Apr 2017	Christ Embassy Church Service	800
Apr 2017	Christ Embassy Church Service	1 500
Apr 2017	Christ Embassy Church Service	1 500
Apr 2017	Christ Embassy Church Service	1 200
May 2017	Christ Embassy Communion Service	1 240
May 2017	Christ Embassy Church Service	800
May 2017	Christ Embassy Church Service	1 500
May 2017	Christ Embassy Church Service	600
May 2017	Christ Embassy Church Service	450
Jun 2017	Christ Embassy Church Service	1 500
Jun 2017	Old Mutual Trophy Wine Show	500
Jun 2017	The Real Concert Series	1 464
Jun 2017	Christ Embassy Church Service	600
Jun 2017	International Day of Yoga 2017	1 000
Jun 2017	Christ Embassy Church Service	750
Jun 2017	Christ Embassy Church Service	1 500



288

Other Events and Film Shoots held for the year under review



5 000

Highest attendance Santa Shoebox Project



Santa Shoebox Project



Cosatu – Proudly South African

Month	Event	Pax
Jul 2016	COSATU Senior Citizens Day	750
Aug 2016	IFBB Benfatto WP Championships 2016	1 200
Aug 2016	Cape Winemakers Guild Auction Showcase 2016	300
Aug 2016	Investec Business Matters	200
Sept 2016	SMME Opportunity Roadshow 2016	180
Sept 2016	The Western Cape Premier's Senior Management Service SMS and Deputy Director MMS Engagement 2016	1 000
Sept 2016	Cedar House School Celebration	800
Sept 2016	Truworths Citation Awards	850
Sept 2016	Bonitas Product Update	350
Sept 2016	Cosatu – Proudly South African	300
Oct 2016	Ethics 4 All – The Annual MPS Ethics Event 2016	1 040
Oct 2016	State of the Nation Breakfast Series with Justice Malala and Clem Sunter	340
Oct 2016	Allan Gray Roadshow	336
Oct 2016	Canon Roadshow	850
Oct 2016	Santa Shoebox Project	5 000
Nov 2016	Russia Cultural Season in SA	667
Dec 2016	CFA Institute Exams	550
Dec 2016	CFA South Africa – After Exam Drinks	250
Jan 2017	VinPro Inligtingsdag 2017	550
Jan 2017	SAICA ITC Exams	430
Jan 2017	Chinese New Year	250
Jan 2017	Queen Mary II Passenger Turnaround	1 662
Feb 2017	Xero South Africa Roadshow	400
Feb 2017	PPS Insurance Company	267
Feb 2017	Rand Merchant Bank Global Markets Seminar	310
Mar 2017	Sanlam Personal Finance: Risk Roadshow	469
Mar 2017	Liberty Roadshow	800
Mar 2017	Investec Asset Management – Taking Stock	700
Apr 2017	Old Mutual Two Oceans Marathon Expo 2017 Briefing	300
Apr 2017	Canon Roadshow	1 300
Apr 2017	PC & AC Awards	205
May 2017	Western Cape Funding Fair Conference and Exhibition 2017	960
May 2017	Actuarial Society of South Africa 2017 Life Assurance Seminar	210
May 2017	Iranian Presidential Elections Focal Point	300
May 2017	DHS – Budget Vote Breakfast	500
May 2017	An Audience with Prem Rawat	500
May 2017	State of the Nation Breakfast Series	431
Jun 2017	CFA Institute Exams	750

# ECONOMIC IMPACT



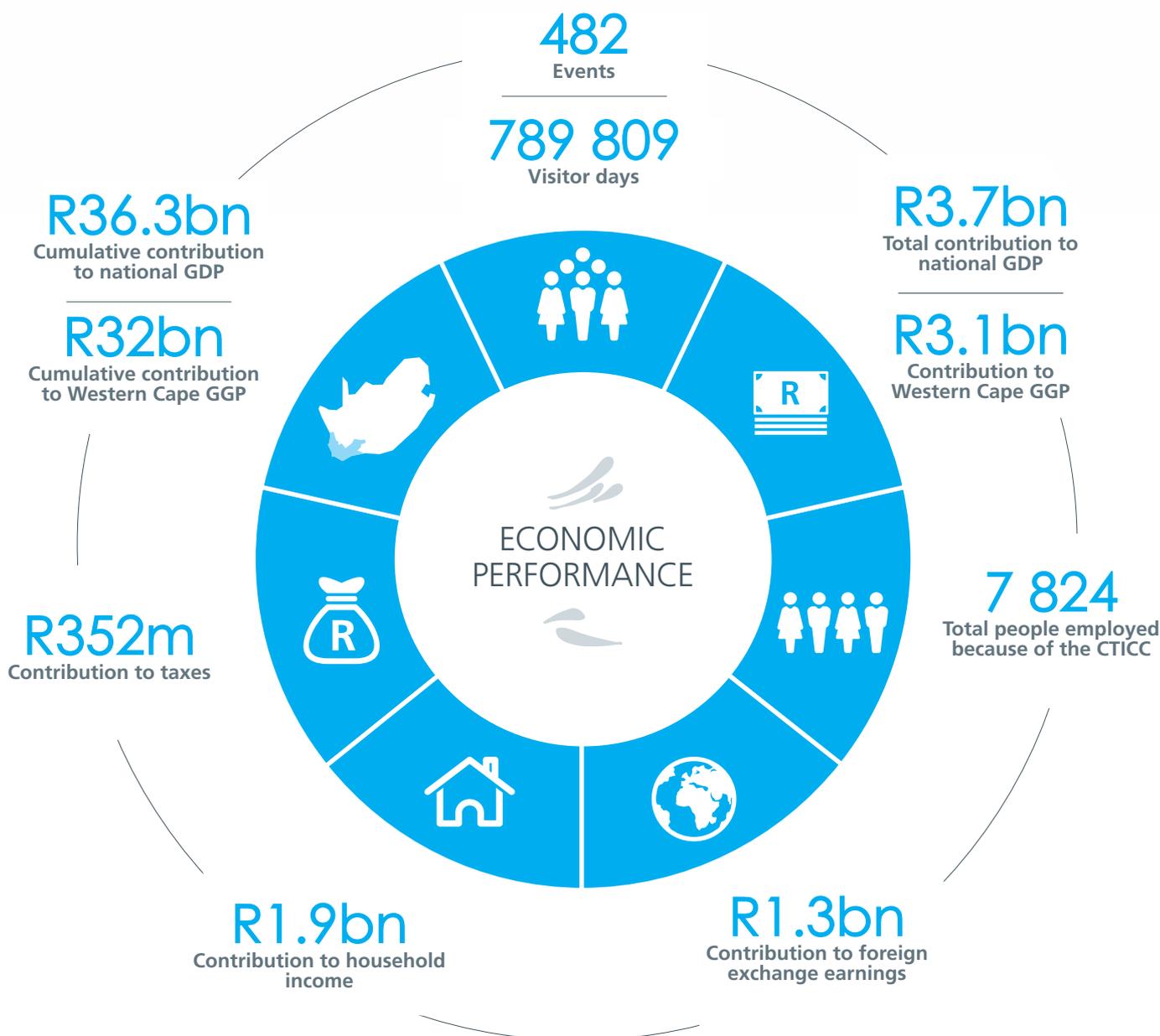
## BUILDING AFRICAN ECONOMIC PERFORMANCE

### A powerful financial and economic performance

One of the core mandates of the CTICC is its role as a strategic asset of its primary shareholders, the City of Cape Town and the Western Cape Government. As such, its responsibility is to attract investment to the city and the province while also contributing positively to their combined economies.

In 2016/17 we increased our revenue from R209m to R215.6m (R4.9m above our target of R210.7m) and returned a commendable operating profit of R57.4m, which was R45.3m above our target of R12.1m. EBITDA also rose well above our target of R20.5m to R53m, while net profit of R43.4m was also R34.7m ahead of our target of R8.7m.

Furthermore, our economic contributions to both national Gross Domestic Product (GDP) and regional Gross Geographic Product (GGP) remain substantial, in line with our shareholder mandates.



These figures are reported on in more detail in this section. The CTICC's financial and economic performance has many facets and benefits the city, province and the country in numerous ways.

## THE SIXTH ELEMENT – DRIVING THE KNOWLEDGE ECONOMY



CTICC – a platform for knowledge exchange

Fourteen years ago the CTICC was a pioneer in the revival of what was then a rough and ready part of the city – Cape Town’s Foreshore district. The vision was that the area was ripe for renewal.

More concretely, the CTICC has developed into a vital economic driver for the City and Province and our contribution span six areas – through the construction of the convention centre, both CTICC 1 and CTICC 2, which has generated jobs and provided opportunities for enterprise and skills development; through the regular capital expenditure at the CTICC; through the sales revenue generated by the CTICC; through spending by delegates and visitors attending the events; and through increased tourism as convention delegates return as tourists.

Business events and the tourism they generate have the power to shape the economy of our city, our province and also our country. Business tourism delivers a higher-yielding traveller because these travellers often stay longer, spend more money and show greater potential to return to the destination. This is called induced tourism and is a key factor for Cape Town in particular.

What is easily forgotten, however, in the discourse around the importance of tourism to the economy is that business events are a major driver of the knowledge economy. Convention centres like the CTICC play a major role in facilitating this economic growth. And at the CTICC, we believe this sixth facet of our contribution is becoming ever more important

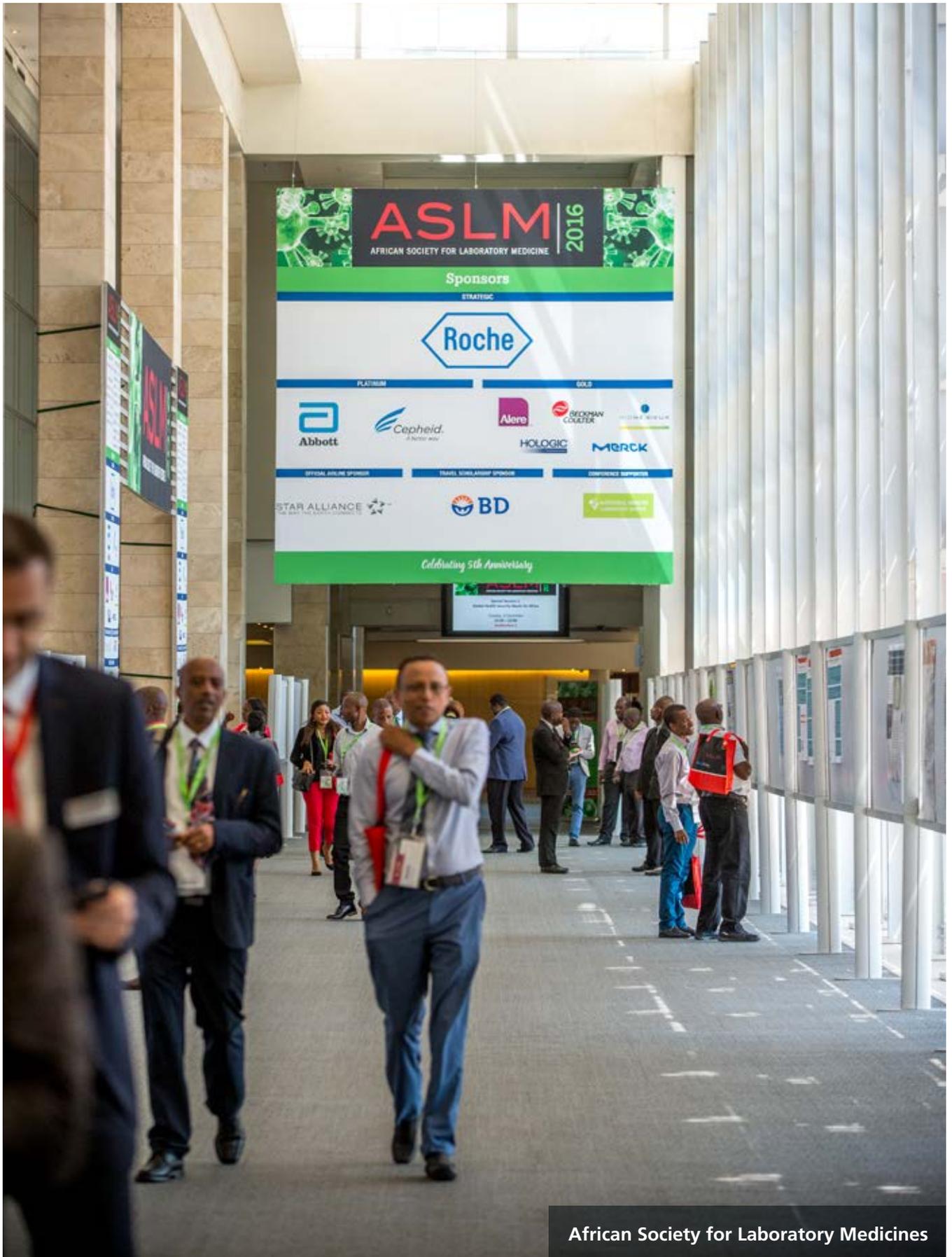
Thus, while the Cape’s beaches and vineyards are world-renowned attractions, the region is also a hub of academic and research excellence. The province is home to four of the country’s leading universities, as well as being a centre for financial services, renewable energy and technology start-ups. These are all key elements in the knowledge economy and many of the CTICC’s events intersect with these sectors.

Many of the conferences we host land on African soil rarely – sometimes for the first time. This allows for greater and more equitable participation of our local experts in the development of scientific and academic programmes. The 35th International Geological Congress and the 16th World Congress of the International Society for Prosthetics and Orthotics this year were but two such events. There are many others.

In addition, through hosting commercial trade fairs and exhibitions, the CTICC offers South African businesses a platform to demonstrate their latest products and services, network with international role-players, study the competition and assess market trends. Trade shows such as Seamless Africa, AfricaCom, and eCommerce Africa all tap into Africa’s fledgling but lucrative technology sectors.

These events further the sharing of knowledge, transfer of skills and intellectual advancement, while exposing our destination to trade and investment opportunities and outcomes which would be difficult to achieve if platforms such as the CTICC did not exist.

Thus, the CTICC is a constant reminder of the success of careful economic strategy and its ongoing contribution to the policy vision and social upliftment of the City of Cape Town and the Western Cape Government. In turn, that vision has in its sights an ongoing contribution to income generation and job creation at all levels of society.



African Society for Laboratory Medicines

## HOW THE CTICC HAS CONTRIBUTED TO DATE



Cape Homemakers Expo 2016

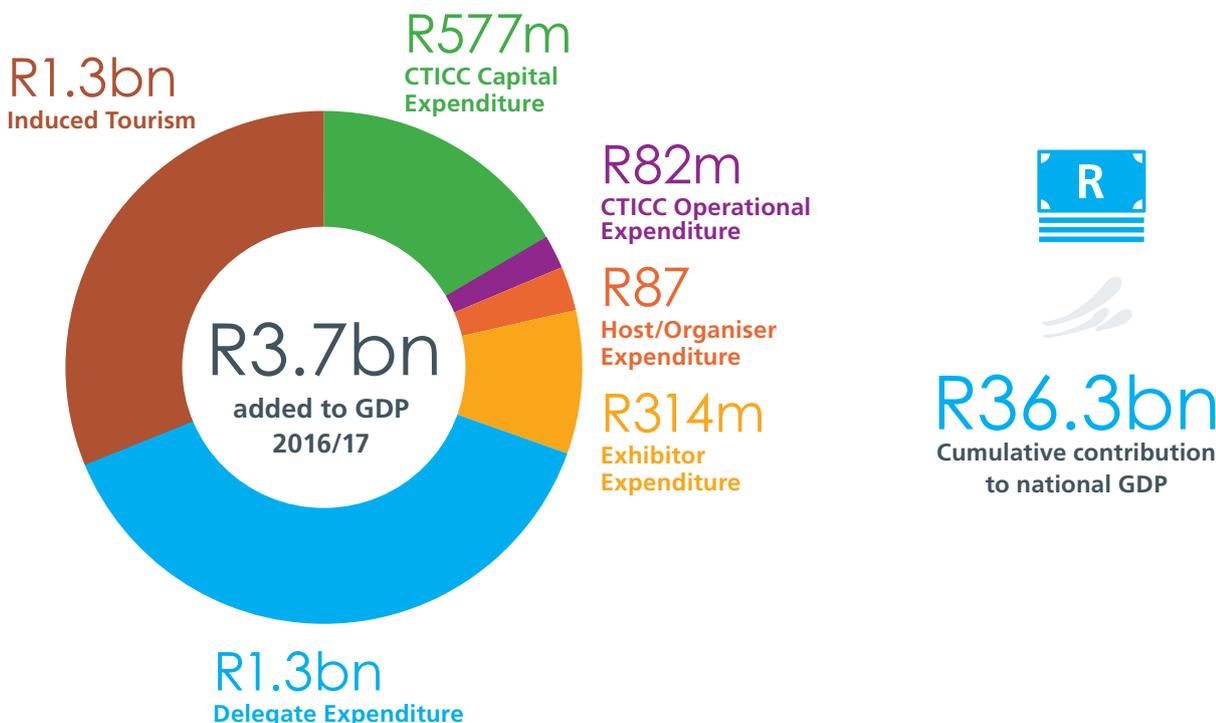
The table below shows the overall macroeconomic contribution of the CTICC to the country and the province, as well as the jobs created, contributions to tax and household income, forex earnings and delegate and visitor days – comparing 2016/17 to 2015/16. It also shows the contribution of induced tourism (the return of convention delegates as tourists).

**Table 1: Macroeconomic contribution for the 2016/17 financial year**

Rand million, 2017 Prices	GDP	GGP	Direct WC Jobs	Indirect SA jobs	Direct & Indirect Taxes	Indirect H-hold Income	Net Forex Earnings	Delegate & Visitor Days
CTICC Capital Expenditure	577	533	548	784	59	322	-	-
CTICC Operational Expenditure	82	138	78	91	17	40	-	-
Host/Organiser Expenditure	87	24	34	105	9	48	-	-
Exhibitor Expenditure	314	218	127	324	30	158	-	-
Delegate Expenditure	1 324	1 278	1 448	1 640	118	670	-	-
<b>Sub-total</b>	<b>2 384</b>	<b>2 191</b>	<b>2 235</b>	<b>2 944</b>	<b>233</b>	<b>1 238</b>	-	-
Induced Tourism	1 294	925	1 149	1 496	119	652	-	-
<b>Total Contribution 2017</b>	<b>3 678</b>	<b>3 116</b>	<b>3 384</b>	<b>4 440</b>	<b>352</b>	<b>1 890</b>	<b>645</b>	<b>789 809</b>
<b>Total Contribution 2016</b>	<b>3 539</b>	<b>3 023</b>	<b>3 233</b>	<b>4 525</b>	<b>340</b>	<b>1 814</b>	<b>619</b>	<b>875 297</b>

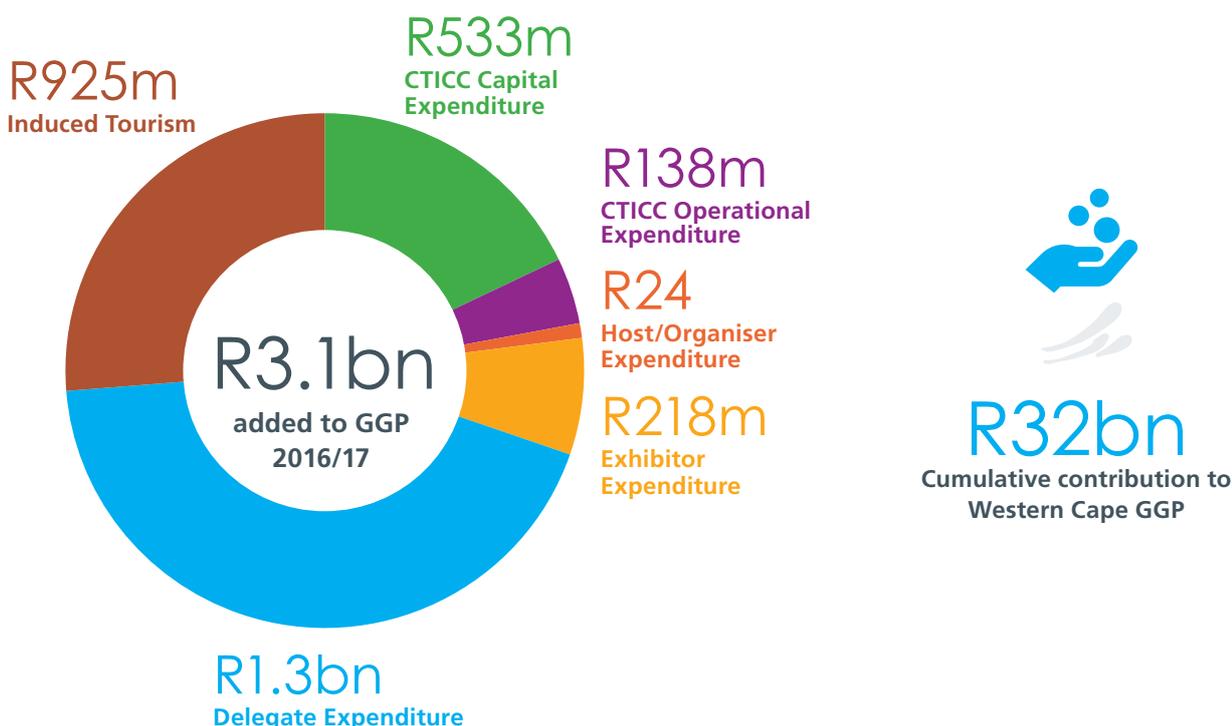
### The CTICC's contribution to national Gross Domestic Product

Gross Domestic Product (GDP) is the total value of all final goods and services produced in the country. It is a fundamental measure of the economic quality of life of all people in the country. It is also the most important and all-encompassing measure of the macroeconomic effect of the CTICC. GDP is important not just because it is income but also because income has the capacity to build wealth. Contribution to GDP has increased to R3.7bn compared to the previous year's figure of R3.5bn.



### The CTICC's contribution to Western Cape Gross Geographic Product

While many of the direct economic benefits from the CTICC are felt within the Western Cape, some of the benefits contribute to other provinces. For example, as tourists spend money in hotels, they in turn use materials sourced from other parts of the country and from abroad. This is why the contribution to Western Cape GGP can often be much less than its contribution to GDP.

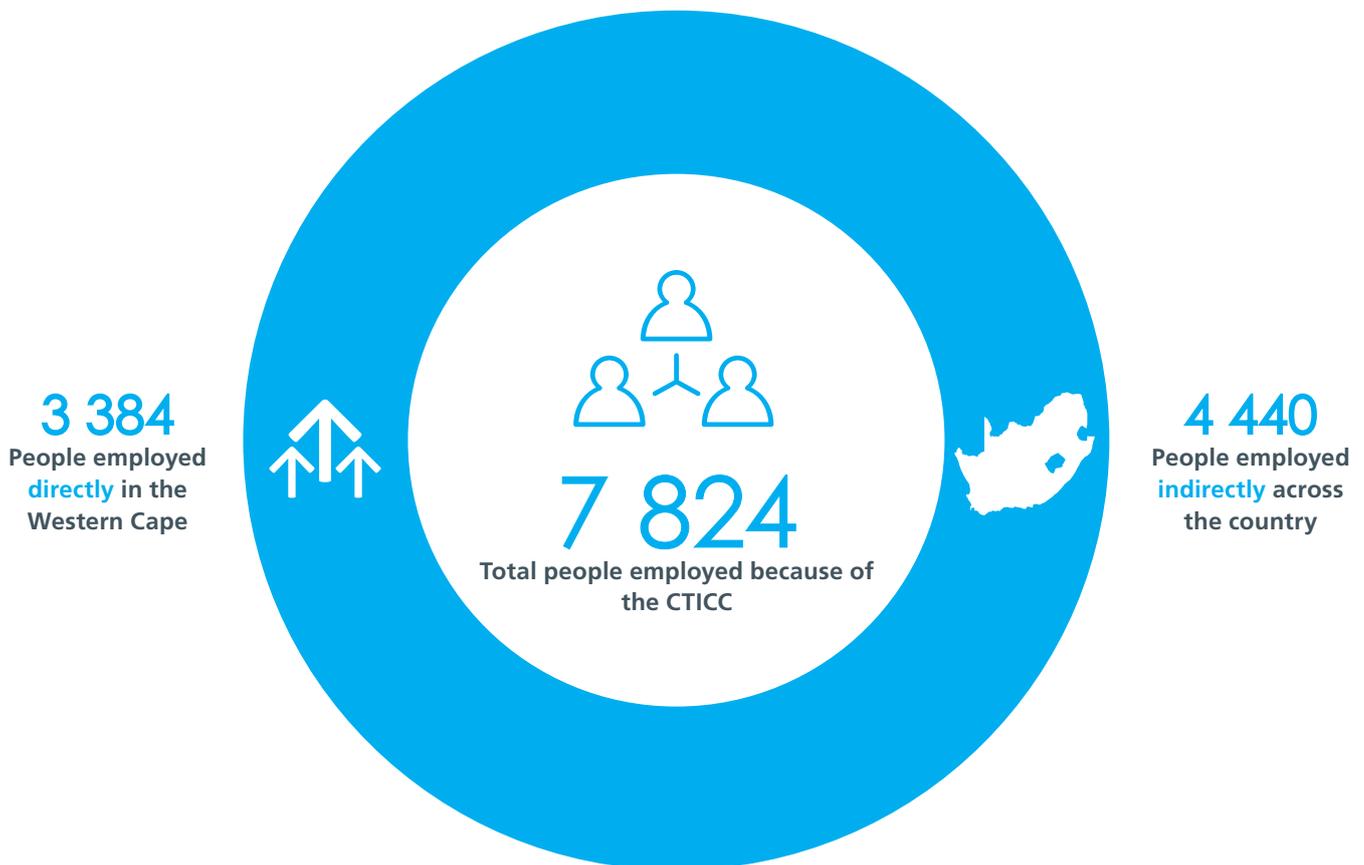




Centre Stage with Chef Roberto

### The CTICC's contribution to Job Creation

A total of 7 824 people were employed because of the CTICC, with 3 384 people employed directly in the Western Cape and a further 4 440 people employed indirectly across the country. In times of economic stress, where jobs are more likely to be lost than created, this contribution is particularly important.



## The CTICC's contribution to Foreign Exchange Earnings

One of the key macroeconomic benefits of the CTICC is that it draws in visitors who make an important contribution to foreign exchange earnings. Taking into account this positive effect of international delegates and exhibitors bringing in considerable foreign exchange, it is estimated that:

- In 2016/17 international delegates brought R363m into the country, international exhibitors R95m and induced tourism R805m;
- Total foreign exchange earnings amounted to R1.3bn in 2017, which is an increase of 5.3% on the R1.2bn earnings of 2015/16;
- Net earnings were also up to R645m for the 2016/17 year – an increase of 7.9% over the R598m in 2015/16;
- At the end of 2017 it is estimated that the CTICC had cumulatively generated R7bn in foreign exchange.

Table 2 indicates the estimated foreign exchange use and earnings. The final row in the table is a cumulative total of foreign exchange use and earnings, i.e. net foreign exchange earnings.

**Table 2: Net Foreign Exchange Earnings – South Africa**

Rand million, nominal prices		Known			
Financial Year	FY2013	FY2014	FY2015	FY2016	FY2017
<b>Foreign Exchange Earnings</b>					
International Exhibitors	40	51	66	110	<b>95</b>
International Delegate Spend	481	484	559	390	<b>363</b>
Induced Tourism	559	597	577	699	<b>805</b>
<b>Total Forex Earnings</b>	<b>1 080</b>	<b>1 132</b>	<b>1 202</b>	<b>1 199</b>	<b>1 263</b>
<b>Foreign Exchange Use</b>					
CTICC Capital Expenditure	9	14	25	114	<b>109</b>
CTICC Operational Expenditure	11	13	13	14	<b>14</b>
Host/Organiser Expenditure	13	14	14	18	<b>15</b>
Exhibitor Expenditure	35	35	41	51	<b>48</b>
All Delegate Expenditure	276	275	321	229	<b>217</b>
Induced Tourism	140	150	147	175	<b>215</b>
<b>Total Imports</b>	<b>484</b>	<b>501</b>	<b>561</b>	<b>601</b>	<b>618</b>
<b>Net Forex Earnings</b>	<b>596</b>	<b>631</b>	<b>641</b>	<b>598</b>	<b>645</b>
Cumulative Total	4 509	5 140	5 781	6 379	<b>7 024</b>

## The CTICC's contribution to Taxes

Table 3 reports on total tax generated. This includes not only taxes paid by the CTICC and its personnel but also by its suppliers, through delegate and visitor expenditure, induced tourism and through indirect and induced taxes as a result of the linkage effect of all sectors of the economy. Tax contributes to the welfare of the entire country and, as such, is part of the CTICC's economic contribution. Cumulatively, it is estimated that since construction in 2003, R4bn has been generated in taxes.

**Table 3: Contribution to Taxes – South Africa**

Rand million, nominal prices		Known			
Financial Year	FY2013	FY2014	FY2015	FY2016	FY2017
CTICC Capital Expenditure	5	7	13	61	<b>59</b>
CTICC Operational Expenditure	15	17	16	18	<b>17</b>
Host/Organiser Expenditure	8	9	9	11	<b>9</b>
Exhibitor Expenditure	22	22	26	32	<b>30</b>
Delegate Expenditure	151	150	176	124	<b>118</b>
Induced Tourism	84	90	88	105	<b>119</b>
<b>Total Contribution to Taxes</b>	<b>285</b>	<b>295</b>	<b>328</b>	<b>351</b>	<b>352</b>
<b>Cumulative Contribution</b>	<b>2 681</b>	<b>2 976</b>	<b>3 304</b>	<b>3 655</b>	<b>4 007</b>



### The CTICC’s contribution to Household Income

Table 4 reports on the CTICC’s contribution to household income. In difficult economic times, when households are battling to make ends meet, positive contributions to household income are vital. The CTICC contributed R1.9bn to household income in the year under review and has contributed a cumulative R18.5bn since its inception.

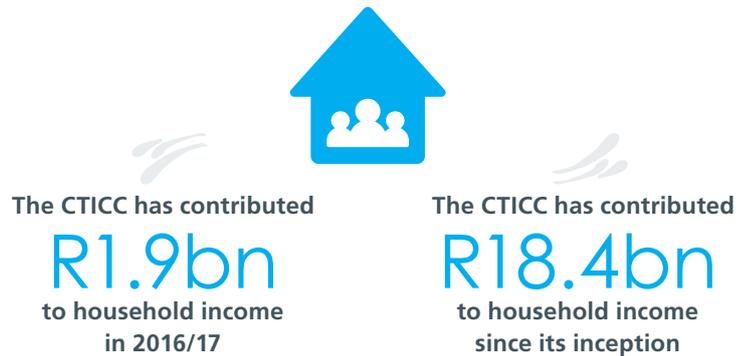


Table 4: Contribution to Household Income – South Africa

Rand million, nominal prices	Known				
	FY2013	FY2014	FY2015	FY2016	FY2017
CTICC Capital Expenditure	25	35	71	337	322
CTICC Operational Expenditure	29	36	35	38	40
Host/Organiser Expenditure	41	44	45	56	48
Exhibitor Expenditure	113	113	136	166	158
Delegate Expenditure	858	855	999	709	670
Induced Tourism	458	490	481	572	652
<b>Total Household Income</b>	<b>1 524</b>	<b>1 573</b>	<b>1 767</b>	<b>1 878</b>	<b>1 890</b>
<b>Cumulative Contribution</b>	<b>11 326</b>	<b>12 899</b>	<b>14 666</b>	<b>16 544</b>	<b>18 434</b>

## NEW KEY PERFORMANCE INDICATORS POWERFULLY ACHIEVED

The CTICC's success is based on more than numbers, important as they are. Its role as a key strategic asset of the City of Cape Town and the Western Cape Government means that it also has a responsibility to deliver on a range of targets agreed with our majority shareholder. These are seen below in the table of Key Performance Indicators (KPIs) that have been agreed between Convenco and the City. KPIs 5, 6, 7 and 10 are KPIs not previously reported on.

These KPIs inform not just the overall performance of the CTICC but the roles, goals and performance assessment criteria of each department, team and individual who works with us.

Category	Measurement	Target 2017	Actual 2017	
1	Events	Number of international events hosted compared to budgeted target	32	<b>36</b>
	Events	Number of events hosted compared to annual budgeted target	505	<b>482</b>
2	Human Capital Development	Percentage of annual total salary cost spent on training of permanent and temporary staff	5%	<b>6.4%</b>
3	Customer Centricity and Service Excellence	76% of minimum aggregate score for all CTICC internal departments and external suppliers	76%	<b>84%</b>
4	Supply Chain Procurement from B-BBEE Suppliers measured into the B-BBEE Act	Percentage spend not lower than 60%	60%	<b>92.8%</b>
5	Student Programme: Contribution to Youth Employment and Skills Development	Number of student opportunities provided	6	<b>9</b>
6	Graduate Programme: Contribution to Youth Employment and Skills Development	Number of graduate opportunities provided	3	<b>14</b>
7	Number of People from the Employment Equity Target Groups employed in the Three Highest Levels of Management in compliance with the Municipal Entity's Approved Employment Equity Plan	Percentage of Exco, Manco and Leadership positions held by persons from designated groups	80%	<b>86.2%</b>
<b>8 Budget</b>				
	Operating Profit	Percentage achievement of annual budgeted operating profit	100%	<b>475.3%</b>
	Capital Projects	Percentage of the total number of capital projects for the year completed or committed	85%	<b>100%</b>
	Capital Expenditure	Maintain five-star tourism grading through effective management of maintenance and quality of service delivery	Achieve Five-star Tourism Grading Council rating	<b>Five-star Tourism Grading Council rating achieved</b>
	Capital Expenditure (CTICC 2 Expansion Programme)	Percentage of total capital expenditure spend	90%	<b>90%</b>
<b>9 Governance</b>				
	External Audit Report	Unqualified Audit Report for 2015/16 financial year	Unqualified Audit Report	<b>Unqualified Audit Report for 2015/16 financial year achieved</b>
	Minimum Competency Level	Number of senior managers registered for MFMA Competency Course	7	<b>10</b>
<b>10 Financial Ratios</b>				
	Ratio of Cost Coverage maintained (RCC)	Total cash and investments, less restricted cash for monthly operating expenditure	RCC = 11.07 times	<b>13.1 times</b>
	Net Debtors to Annual Income (ND)	Net current debtors divided by total operating revenue	ND = 2%	<b>0.9%</b>
	Debt Coverage by Own Billed Revenue (DC)	Total debt divided by total annual operating income	DC = 25.9%	<b>0%</b>

## EMPOWERING LOCAL ENTERPRISES TO DEVELOP AND PERFORM



**Nomsa Mtuzula, CEO:  
Sasa Development Project  
and Suppliers**

The CTICC is strongly committed to working with SMME, B-BBEE and women-owned enterprises. As a municipal entity we are obliged to comply with the Municipal Finance Management Act of South Africa, 2003 (Act 56 of 2003) (MFMA) and with the accompanying Supply Chain Regulations.

In line with our ongoing commitment to help develop businesses in our sector and beyond, our B-BBEE spend for the 2016/17 financial year was R591.6m, which equals the 92.8% of net spend figure of 2015/16. This is a pleasing result and is also R69.2m up on the figure of the previous year – an increase of 13.2%.

Where it is possible and practical, the CTICC uses local suppliers, provided they meet the MFMA regulations and our competitive pricing requirements. We define local suppliers as those situated within the borders of the Western Cape. Locally-based procurement for the year totalled R593m, which was 93.1% of the total procurement spend. This figure has risen by R70.9m (13.6%) compared to the previous year.

Women-owned enterprise suppliers comprised 29% of total supplier base in the year under review. An example of how we have helped build a woman-owned enterprise this year follows below.

### **A contractor's good news story: Sasa Development Project and Suppliers**

Sasa Development Project and Suppliers, established in 2006 and owned by Chief Executive Officer Nomsa Mtuzula, was instrumental in the development of the CTICC's new building, CTICC 2. The 100% black, female-owned small business, based in Mitchell's Plain, has been responsible for the erection and dismantling of scaffolding, as well as cleaning and edge protection on site, since the start of construction.

Sasa started out as an enterprise development beneficiary and was brought on-site by the principal building contractor, Aveng Grinaker, which also provided mentorship to the small business. At that stage, Sasa had no employees on their books. Three years later Sasa employs eleven contract employees – six scaffolding erectors, one of whom is also a scaffold inspector; four general labourers; and one safety representative, who is qualified in first aid.

The business has benefitted tremendously from the experience it has gained as a sub-contractor on site. Its employees have received training, which was funded by the income Sasa made from the project, in fire-fighting, scaffold erection, health and safety, first aid and scaffold inspection.

Sasa Development Project and Suppliers is a good news story. Since being contracted to the CTICC 2 build, Sasa Development Project and Suppliers has signed a further contract for site work in Milnerton, Cape Town.



**“The company has grown financially and in skills development. (When we started) I was not registered with the Department of Labour's compensation fund but now I am. I managed to buy a small bakkie and use it for the needs of the company and to transport labourers.”**

**Nomsa Mtuzula**  
Founder and Chief Executive Officer,  
Sasa Development Project and Suppliers

## CAPITAL EXPENDITURE: ENSURING OUR ONGOING PERFORMANCE



Investing in African Mining Indaba 2017

Capital expenditure on CTICC 1 is ongoing and essential. In a highly competitive events and tourism sector, nothing stays the same for long. We continuously invest in the maintenance and upgrading of our facilities. This year's key projects included the replacement of all carpets, comprehensive asset tagging, new uniforms and an upgraded building management system.

Over the past financial year, we have continued to invest significantly into enhancing our systems and services via a total of 13 large capital investment projects, all of which were completed in the year under review.



"This year's key projects included the replacement of all carpets, comprehensive asset tagging, new uniforms and an upgraded building management system."



## CTICC 1 capital expenditure in 2016/17

	2016/17
Total capex projects planned	13
Actual capex projects completed/in progress	13
<b>Percentage projects achieved</b>	<b>100%</b>
Percentage unattained	0%
Total capex budget	R31 034 833
Actual capex spend	R28 745 410
Actual capex unspent	R2 289 423
<b>Percentage spend achieved (R)</b>	<b>92.6%</b>
Percentage unspent (R)	7.4%

# SOCIAL IMPACT





## PEOPLE AND COMMUNITY: PROVIDING POWERFUL SUPPORT

### Changing futures through passionate organisations

There has been considerable and positive change this year with our community-focused activations. A process of staff consultation and nomination culminated in the selection of three new community partners, and the retention of our long-established relationships with Abalimi Bezekhaya and the Foundation for Alcohol-Related Research (FARR).

These five non-governmental organisations play an important role in uplifting and enriching the communities they serve and, as a strategic asset of the City of Cape Town and Western Cape Government, the CTICC is committed to giving back to the community and striving to be a responsible corporate citizen. Our contribution to the economy of the Western Cape goes far beyond the financial.

During the selection process, the CTICC was inspired by the support these organisations provide, and we hope that through these partnerships we will make a positive difference in the lives of those in need.

During the 2016/17 financial year, the CTICC spent or donated goods to the value of nearly R1.2m in support of various non-profit organisations. In doing so, it participated in 28 activations, varying from offering donations to sponsoring venues to practical volunteering activities.

**R138 291**

Value of donations of goods to beneficiaries

**R62 380**

Purchases from LCPs in support of activities



**R995 298**

Value of venue and event sponsorships



Mothers Unite

**Ikhaya le Themba**, is a faith-based organisation working in Khayelitsha. Ikhaya le Themba focuses on four specific areas, namely community development, orphans and vulnerable children, skills development and enterprise development. In their application, the NGO indicated that donations of food, stationery and building materials, as well as funding to market its enterprise development initiative, would allow it to work at full capacity.

**Journey of Enrichment** is a feeding scheme that supports the community through sustainable development initiatives and works to empower women and youth through education. The organisation’s feeding scheme focuses primarily on food parcel drives in Philippi, Manenberg, Schaapkraal and Netreg. The NGO is in urgent need of skills exchange programmes and food donations. It also needs support to market itself to raise awareness of its work.

**Mothers Unite** provides a positive environment to children in the Lavender Hill and Seawinds communities by providing nutritional, educational and emotional support, as well as positive alternatives to anti-social behaviour. It seeks to achieve this through interventions and programmes guided by mothers from a community challenged by poverty, crime, gangsterism and drugs. Mothers Unite is in constant need of resources for its literacy, nutrition and first aid programmes, as well as its computer lab.

We have been supporting the following two organisations for many years now:

**Abalimi Bezekhaya**, is a pioneer in urban gardening and now supports micro-farmers on the Cape Flats to grow their own organic vegetables. In addition, Harvest of Hope (HoH), Abalimi’s social business arm, provides the CTICC with fresh organic vegetables. Abalimi grows farmers and HoH partners with people who understand the need to source small and locally to build a better food system. The CTICC has been in partnership with this impressive organisation since 2011.

**Foundation for Alcohol-Related Research (FARR)**, which continues to do vital work with Western Cape communities affected by foetal-alcohol syndrome disorder (FASD). FASD is thought to affect at least three million people in South Africa. FARR researches, raises awareness and understands the far-reaching implications of FASD and the impact on people and communities affected by it. The CTICC’s relationship with FARR goes back to 2012.

The CTICC has already worked hard to assist these organisations, as can be seen by the table below. Each of these beneficiaries is the focus of our community-based initiatives during the year, along with a number of other causes which we consistently support.

We very much look forward to working with each of our community partners to build better communities and make a meaningful difference.

## EMPOWERING OUR PARTNERS THROUGH ACTIVATIONS

### Ikhaya le Themba

During the refurbishment of its public galleries, the CTICC recarpeted the walkways. Still in good condition, the used carpets were donated to Ikhaya to make its care facility for vulnerable children more comfortable. The CTICC also sponsored IT equipment which the organisation uses in its field work.

“To have mobile hardware that our mentors and staff can use in the field makes a huge difference in keeping our systems in place and reducing the amount of hours needed to do admin, allowing us to focus on the families and children in need. These laptops are making our organisation more effective in the community.”

#### Theresa Richardson

Enterprise Development Manager, Ikhaya le Themba



### Journey of Enrichment

We purchased and donated catering equipment to Journey of Enrichment, which will use the items in their feeding and outreach programmes in the city and surrounding suburbs.

“As a non-profit organisation that relies so much on community support, we have mainly operated on a word-of-mouth basis and on the generous support of family and friends. Understandably, this has not afforded us the opportunity to acquire items that could improve both our visibility and ability to fulfil our aims and objectives. That being said, the gifts from the CTICC are a huge boost for us and an empowering contribution for our organisation.”

#### Tasneem Abrahams

Treasurer, Journey of Enrichment

### Mothers Unite

Wood from custom exhibition stands was sent to Mothers Unite, as a collection point for the surrounding informal settlements. For Africa Day the CTICC and its suppliers created a month-long maintenance and repair campaign sprucing up the Mothers Unite base. On Africa Day, CTICC staff came to paint the centre and distribute food parcels to local children in need.

“The appliances will certainly assist us in furthering our aims of assisting the children and the most vulnerable elderly in the nutrition project where meals are cooked and distributed.”

#### Gerry Gordon

Director, Mothers Unite



## Abalimi Bezekhaya

Farming products were donated to Moya We Khaya Gardens in Khayelitsha, as well as IT equipment to their administration unit.



“The CTICC, at 14 years old, has been walking the long road with Abalimi – the road to food and economic freedom through family farming. We are grateful for the CTICC’s ongoing support. For example, their hands-on support on Mandela Day and their birthday gift of new laptops for our highly pressured admin unit. Most of all, we are grateful for the CTICC’s determination and stamina to stay the course with us.”

**Rob Small**  
 Founder, Abalimi Bezekhaya



“We are excited to have our partnership with the CTICC continue. It has been a great partnership because not only does the CTICC buy our vegetables but we have face-to-face contact with staff through their volunteering on special days. It is great to have a relationship with people that are actually there.”

**Christopher D’Aiuto**  
 Programme Manager, Abalimi Bezekhaya



## Foundation for Alcohol-Related Research (FARR)

The CTICC sponsored a venue for and attended the FARR annual general meeting. The CTICC also purchased and donated IT equipment to FARR, which the organisation will use in its educational programme.



“The CTICC adopted FARR in 2012 as one of its CSI projects. Since then, FARR has received numerous contributions ranging from furniture, conference bags, blankets and toys for our clients. Donations like these are priceless as it fill so many gaps which we cannot fund from day-to-day project funding. FARR is extremely honoured and grateful for the CTICC’s support in the important task of Foetal Alcohol Spectrum Disorder research, awareness and prevention.”

**Leana Olivier**  
 Chief Executive Officer, Foundation for Alcohol-Related Research (FARR)



### Jireh Community Projects

The CTICC sponsored and supported the 16th annual Jireh Music & Movement showcase of children’s talent. Started in 1989 and based at the Jireh Centre in Portland, Mitchell’s Plain, Jireh runs the biggest registered Early Childhood Development Centre in the Western Cape. It has also developed several family-centred poverty alleviation programmes that offer both recreational and educational opportunities to parents and their children.

Also sponsored by the Departments of Sport & Recreation and Arts & Culture, the talent showcase is a major event for this organisation, and attracted a 1 300-strong audience of extremely proud parents, relatives and friends of the young performers.

We are proud to support such a popular and clearly well-loved community event. There is no doubt that participation in the talent showcase also develops the confidence, drive and determination of these young Capetonians. We are looking forward to hosting the event again in November 2017.





### Our Cape Town Showcase

The CTICC partnered with NowNow Events to develop “Our Cape Town Showcase”, a concert at which upcoming musical talent from Cape Town performed to an audience of event organisers, suppliers, CTICC clients and dedicated fans. Headlined by the Black Ties, another ten bands and musicians entertained the well-attended event, including Mathew Gold, BlackByrd and Wandile Mambeni.

This was the first event of its kind that we had developed and it was great to connect local artists with powerful event planners. We are always happy to promote the creative industries, especially when it comes to local talent. We understand how difficult it is for new talent to get exposure to the business sector and recognise that, as a venue, we have a unique opportunity to provide a platform to showcase the incredible talent Cape Town has to offer to a clientele that they would not necessarily have access to.



“The CTICC is an inspirational and iconic brand and many artists aspire to perform at the venue, because the CTICC is synonymous with quality.”

**Enver Mally**

NowNow Events Director





### Santa Shoebox

The CTICC was the flagship Cape Town drop-off point for the Santa Shoebox project, and provided the organisation with venue and event sponsorship. Staff also participated in this important initiative by donating shoe boxes filled with gifts.



### 1 000 Women 1 Voice Trust

The CTICC sponsored the venue for this luncheon to raise money and awareness around the abuse of women and children. The CTICC also invited local community partners to the event, allowing them to network with organisations in similar fields.



### Cape Flats Development Association (CAFDA)

The CTICC was approached by CAFDA to sponsor a table at their business breakfast, which staff attended in aid of CAFDA's child development programme.



### Youth Day

CTICC hosted Youth Day for learners from Ikhaya le Themba, Mothers Unite and Mitchell's Plain School of Skills. Ikhaya le Themba facilitated the event, which involved guest speakers including CTICC staff who spoke about their studies and careers.



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### Ruyterwacht Senior Centre

The CTICC provided decorations, cupcakes and music for the Senior Centre's Christmas party.



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### SA Kinderhuis

The CTICC arranged an Easter egg hunt for the children of the children's home.



### Cosatu Senior Citizens Day

The CTICC provided venue and event sponsorship for this very special Senior Citizens event.



### The Haven Night Shelter

The CTICC sponsored care packs and donated food, crockery and cutlery. The CTICC also donated and installed a washing machine and tumble dryer at The Haven's Napier Street branch on World Homelessness Day.



### Christine Revell Children's Home

The CTICC provided food, decorations and festive cheer to the young children at the Home. The Home cares for babies and children up to the age of five who have been referred by social workers and placed by order of a children's court.



### Restoring Hope Association

The CTICC donated food which helped feed the children attending the Association's April holiday programme.

## Supporting schools, building our future

Throughout the year, the CTICC donated IT equipment, crockery, cutlery, floorboards, wood from stands and a range of other redundant stock and goods to schools in need. We always ensure that our donations go to schools where they will genuinely benefit the schooling environment and school facilities.

The list of schools and education organisations we supported, and just some of the goods we donated to them, includes:

### Agape School

### Alpha School

### Alta du Toit School

### Arcadia Primary School

### Eziko Cooking & Catering School

### Chatsworth Primary School

### Crestway Primary School

### Goodwood Primary School

### Jamaica Primary School

### Linge Primary School

### Lotus River Primary School

### Mitchell's Plain Primary School

### Sea Point Primary School

### Sarepta Primary School

### Sid G Rule Primary School

### Surrey Primary School

### Tembaletu School

### Woodlands Primary School

### York Road Primary School

### Ysterplaat Primary School

### Atlantis School of Skills

### Batavia School of Skills

### CAFDA School of Skills

### Mitchell's Plain School of Skills



**Agape School**

- 4 Mini bar fridges
- 31 Cutting boards
- 4 Silver cocktail tables



**Alpha School**

- 4 Grey office chairs
- 3 Water coolers
- 3 Mini bar fridges



**Alta du Toit School**

- 4 Galvanized bar counters
- 1 Microwave oven
- 1 Blender



**Arcadia Primary School**

- 7 Desktop PC Towers
- 1 Video recorder
- 1 Laptop



**Atlantis School of Skills**

- 1 Juice dispenser
- 1 Oven trolley
- 1 Undercounter fridge with drawers



**Batavia School of Skills**

- 12 Chairs
- 2 Fridges
- 1 Silver table



**Eziko Cooking & Catering School**

- 129 Drinking glasses
- 114 Plastic dessert holders
- 25 Square platters



**CAFDA School of Skills**

- 12 Chairs
- 4 Trolleys
- 5 Counters



**Chatsworth Primary School**

- 15 Keyboards
- 1 Multiplayer
- 3 Computers



**Jamaica Primary School**

- 2 Desktop PC Towers
- 1 Laptop
- 1 Computer screen



**Mitchell's Plain School of Skills**

- 4 Marble table tops
- 1 Plate warmer
- 6 Trolleys



**Mitchell's Plain Primary School**

- 5 Printers
- 3 Computer monitors
- 6 Printers



**Sid G Rule Primary School**

- 2 Silver fridges
- 3 Snapper frames
- 7 Registration desks



**Tembaletu School**

- 94 Coffee jugs
- 421 Tablecloths
- 9 Trays



**Woodlands Primary School**

- 8 Printers
- 10 Desktop PC Towers
- 1 Scanner



### Supporting the people of Knysna in their hour of need

Following the devastating fires in the Southern Cape in June 2017, the CTICC joined with its client Real Concerts to make a serious donation to the traumatised community of Knysna.

According to news reports, seven people died in the fires. Over 1 100 homes were destroyed and damaged, including 150 informal structures. 10 000 people were evacuated during the fires.

Moved by the damage the area suffered, the CTICC partnered with Real Concerts in donating proceeds of the

Real Concert Series it hosted on Saturday, 10 June 2017. Real Concerts used social media platforms to call on support and announce their intention to donate the proceeds from the show to the fire relief efforts. Capetonian fans responded strongly and the event was a sell-out success with almost 1 500 people attending the concert.

The concert featured A-grade South African bands Prime Circle, Just Jinjer and Tailor. Tickets were reduced in price and it was announced that the revenue from 1 000 tickets (R200 000) would be donated to the Knysna relief fund. The CTICC contributed to this pledge by donating the full venue rental cost to those affected by the Knysna fires. This amounted to an additional R72 000.

### Celebrating the spirit of Madiba in the Cape Town CBD

On Mandela Day (18 July), the CTICC brought the spirit of former South African president, Nelson Mandela, back to life very close to home.

Staff at the CTICC celebrated the life and legacy of Madiba when they volunteered 67 minutes of their day by cooking and serving hot soup to refugees and asylum seekers who brave the cold, winter weather in long queues at the Department of Home Affairs at Customs House in FW de Klerk Boulevard, just across from our centre.

Staff also volunteered 67 minutes with seniors who visited the centre as part of the Cosatu Senior Citizens Event, which takes place annually at the CTICC. Staff volunteered their time by preparing over 1 000 sandwiches for the event.





CTICC's 14th birthday

### CTICC celebrates 14 years by giving back to local community organisations

The CTICC celebrated its 14th anniversary on 28 June by giving back to the community of Cape Town by donating R14 000 worth of much-needed goods and equipment to each of its five local community partners (LCPs). The donation was worth R70 000 in total and included catering equipment, furniture, kitchen appliances, IT and office equipment.

The five local community organisations, namely Abalimi Bezekhaya, Foundation for Alcohol-Related Research (FARR), Ikhaya le Themba, Journey of Enrichment and Mothers Unite, were asked to identify critical items they need to enhance and improve their operations.

Our 14th birthday presented the ideal opportunity for the CTICC to celebrate and support the work done by our local community partners. So often non-profit organisations receive funding for projects but run the risk of not being able to fulfil their mandate because they do not have the operational resources required. We hope the items provided by the CTICC will allow our LCPs to not only sustain, but also extend, the positive work they are doing in and around Cape Town.



The CTICC donated

**R14 000**

worth of much-needed goods and equipment to each of its five local community partners

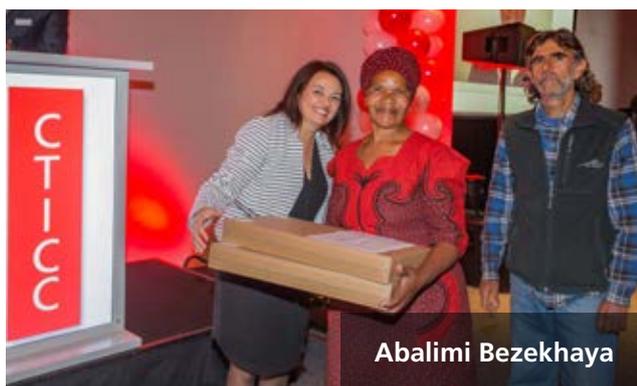




Ikhaya le Themba



Journey of Enrichment



Abalimi Bezekhaya



The Foundation for Alcohol-Related Research (FARR)

## ENHANCING STAFF PERFORMANCE THROUGH EDUCATION AND TRAINING



The CTICC makes developing and training its employees a priority at every level of the business.

Training at the CTICC embraces the four key aspects of skills development: statutory, vocational, developmental and values-based leadership. The training we offer covers all these areas and focuses mainly on capacity building, leadership development, team building, change management, effective employee engagement and coaching.

In the year under review, 4 520 hours of training were spent on permanent staff and 32 hours on temporary staff. For permanent and temporary staff, this represented 2 232 hours for female staff and 2 320 hours for male staff.

In addition to the above, 370 hours of training were provided to 1 190 contract staff. This is over and above the daily on-the-job training such staff receive.

Skills development is essential to ensure the centre fulfils its strategic mandate and makes its vision a reality.



**4 552**

Hours of training spent on permanent and temporary staff



**6.4%** of total salary bill invested in training against a target of 5%



Almost **R3m** spent on training in the year under review



Training is a priority at every level of the business

### Short-term training

Short-term training is useful in upgrading employee skills, is essential for knowledge transfer and assists in the day-to-day management of the business. Over the period, 101 individual CTICC staff members received the following short-term training:

- Barista/Bartending
- Business Writing
- Comptia N+ Networking Certification
- Customer Care, Sales and Service
- Digital Marketing & Communications
- Emotional Intelligence
- Employment Equity
- Events Safety Management
- Fire Fighting
- First Aid & Life Support
- Health & Safety
- InDesign Software
- Industrial Relations
- Internal Auditing (ISO 9001:2015)
- Internal Auditing (OHSAS 18001:2007 and ISO 14001:2015)
- Microsoft Server 2012 & Office
- Office Administration
- Procurement & Contract Methodology
- Professional Development for Convention Centre Managers
- Project Management
- Qlikview
- Report Writing
- Security Management
- Social Media Training
- Supervisory Skills
- Time Management
- Wine Education

### Long-term training

Long-term training is essential for talent management and retention. The CTICC is proud of its record in incorporating training that develops employees towards long-term career goals. The centre has provided 31 permanent staff members with ten different forms of long-term training this year, equating to 150 months in total. Sixteen of these staff members were male and fifteen were female.

- Chartered Institute of Management Accounting (CIMA)
- Digital Brand Strategy
- Electrical M0-M3, M4-M6 & Trade Test
- National Diploma in Events Management
- Institute for Certified Bookkeepers (ICB) Business Literacy
- Management of Food & Beverage Services
- Minimum Municipal Competency
- National Education Board in Occupational Safety & Health (NEBOSH) International Diploma
- Purchasing and Supply Management
- Senior Management Development



# 150

Months' worth of long-term training  
provided to 31 permanent staff members



## KNOWLEDGE EXCHANGE AND PROFESSIONAL DEVELOPMENT PROGRAMMES



The CTICC also supports staff development by selecting staff to participate in international knowledge exchange programmes, summits and professional development programmes. They provide a targeted, industry-specific form of training and development, as well as opportunities to establish the kind of industry networks that facilitate future professional growth.

### AIPC Academy

**12–16 February 2017, Brussels, Belgium**

This intensive and comprehensive five-day training programme was themed “Addressing Today’s Centre Management Challenges” and was aimed at staff seeking to broaden their knowledge of the industry and prepare for more senior management responsibilities. Using a diverse international faculty and range of guest presenters, it offered a full curriculum and a comprehensive industry overview with ongoing updates of all key areas of centre management, operations, finances and marketing. It was attended by our Assistant General Manager: Food & Beverage & Operations and our Finance Controller.

### AIPC Facility Operations Summit

**27–29 November 2016, Barcelona, Spain**

The Facility Operations Summit remains one of the very few opportunities that centre staff working in these key areas have to come together for a collective look at issues of common concern. The summit’s topics include:

- Security and risk management;
- Integrated client servicing;
- Outsourcing;
- Function space adaptation;
- New innovations.

The CEO and the GM: Food & Beverage attended the Summit. The CEO presented on “Strategies for Future Space Needs”.

### AIPC Sales & Marketing Summit

**13 May 2017, Frankfurt, Germany**

In partnership with IMEX, AIPC holds a sales and marketing summit each year, prior to IMEX Frankfurt, the annual worldwide exhibition for incentive travel, meetings and events. This year topics included:

- The future of place branding – what it means for your destination;
- Industry trends impacting centre marketing;
- Advancing meeting objectives in the corporate world;
- Association meetings: responding to the evolving landscape.

The CEO was a panellist for the topic: “What’s keeping centre CEOs awake at night?” This session discussed the top issues that CEOs are addressing today and what implications these have on sales, marketing and service strategies. The CTICC CEO, GM: Commercial & Business Development and International Business Development Manager attended the summit.

## Municipal Regulations on Minimum Competency levels

The Accounting Officer, Chief Financial Officer, Senior Managers, financial officials in middle management, heads of Supply Chain Management Units and Supply Chain Managers of a municipal entity must be competent in the unit standards prescribed for financial and supply chain management competency areas as set out in the Municipal Regulations on Minimum Competency Levels.

Human Resources has put a plan in place to address outstanding competencies given the constraints imposed on the management team by their operational commitments. Notwithstanding this, all managers in the employ of CTICC have the qualifications, skills, experience and capacity necessary to fulfil the responsibilities of their respective positions.

Attainment of competency levels within prescribed timeframes is not included in individual performance agreements. This, instead, is measured at organisational level and is included in the CTICC's key performance targets.

Level of management	Number of employees	Modules completed	Modules outstanding
Chief Executive Officer	1	3	12
Chief Financial Officer	1	10	5
Senior Management	3	12	23
Middle Finance Management	2	17	8
Supply Chain Management	3	32	12
<b>Total</b>	<b>10</b>	<b>74</b>	<b>60</b>

## Human rights and anti-corruption training performance

In addition, 22 employees (11.96%) received a total of 16 hours each of formal training in the CTICC's policies and procedures on human rights issues: 352 hours training in all. During the year under review, the CTICC had no incidents of discrimination and as such no actions were required.

The CTICC also directly employs one person to manage safety and security and oversee its external security contractors. The manager is trained on all policies and procedures relating to the company and the relevant aspects of human rights. The outsourced security services at the CTICC are governed by a comprehensive Service Level Agreement (SLA) that requires all security personnel be trained and licensed as per the Private Security Industry Regulatory Act.

## Labour practices and employee engagement performance

Employees can put forward any concerns regarding Conditions of Employment, Employment Equity and Skills Development with their line managers. The CTICC also has an Employee Relations Forum (ERF) in place, with staff-nominated ERF representatives who take a collective approach to resolving employee relations matters. Concerns can be raised directly with the HR department or via the ERF.

Fair labour practices and human rights principles are adhered to at the CTICC and are also included in all contractor procurement processes. This includes protection against child, forced and compulsory labour.

The CTICC does not have any employees who are covered by a collective bargaining agreement. The centre has 14 employees (8.3%) who belong to the South African Commercial, Catering and Allied Workers Union (SACCAWU).



# 352

Hours training on CTICC's policies and procedures

## DEVELOPING THE PERFORMANCE OF THE EVENTS AND HOSPITALITY SECTOR

The CTICC has a proven track record in training and skills transfer, as can be seen by the training review above and the training and promotion stories which follow. This contributes to both the local and international events and hospitality sectors. In the year under review, the centre continued to build on this reputation, by focusing on dedicated staff and promising young individuals in particular. Impressively, two of our graduates have recently successfully applied for an internship with the Walt Disney Company and will be in Florida, based at their flagship resort, Walt Disney World, by the time this report is available. We are particularly proud of them – and even prouder that they will be bringing back their experience to share with us on their return.



**Kwanele Makhaye and Nosihle Zondo**

### Graduates fly CTICC flag at Disney World, Florida

The CTICC's student and graduate programmes provide valuable in-service training and work skills to young people starting their career in the hospitality and event management sectors. The CTICC is particularly proud that two of its graduates have successfully earned a once-in-a-lifetime opportunity to work at the world-famous Walt Disney World Resort in the United States of America.

The resort is the flagship theme park of the Walt Disney company and the most visited vacation resort in the world, according to CNN Travel. 22-year-old Nosihle Zondo and 21-year-old Kwanele Makhaye will be joining the resort's Work-Integrated Learning Programme for one year.

The pair applied for the chance to work at the prestigious tourist destination whilst completing their studies through Durban University of Technology (DUT). After successful interviews, the duo were informed that they were chosen and would start

their international internships in October 2017 and will return to complete their contracts with the CTICC in October 2018.

They will be working in the Full-Service Food and Beverage Department at the Walt Disney World Resort, specialising in food and beverage, and cuisine. They will surely gain valuable experience while there.

Nosihle holds a National Diploma in Hospitality Management and Kwanele holds a National Diploma in Catering Management. Both were part of the CTICC's six-month Student Programme while completing their studies and were then awarded bursaries as part of the group of 13 students who benefited from the centre's 13th Birthday Bursary Programme. This R400 000 scheme included acceptance onto the CTICC's Graduate Programme, which provides graduates with a one-year employment contract at the CTICC.



CTICC graduates and students

Following their graduation, Nosihle and Kwanele returned to the CTICC and were incorporated into the CTICC's Graduate Programme as Hospitality Graduates. Nosihle has been assisting the CTICC Food & Beverage Department's Revenue Manager with the revenue and spend of the various events, including international and national conferences, banquets, exhibitions and special events. Kwanele has been assisting with the set-up of different types of events, managing clients' expectations and needs, assisting Event Service Managers during events and servicing client orders on the floor.

It is the first time Nosihle and Kwanele have travelled outside of South Africa and the two were excited about the opportunity to gain international experience. Both agreed that the opportunity was a chance to represent the CTICC and take advantage of the experience to apply what they have learnt when they return to the CTICC in 2018 and complete their employment contracts.

"Coming straight from school and working at the CTICC has helped me with my communication. I was shy and not confident but working here has taught me to approach people."

**Nosihle Zondo**

CTICC Hospitality Graduate

"The CTICC helped me a lot in terms of dealing with challenges, understanding what people need, and also understanding what to expect from people."

**Kwanele Makhaye**

CTICC Hospitality Graduate

## Supporting students and graduates to perform

At the CTICC, we run three programmes for talented and passionate young people interested in pursuing a career in the event management and hospitality sectors.

- Firstly, our **Student Placement Programme** offers academically deserving students studying relevant courses the opportunity to do a six-month internship while they are studying. Courses in event and hospitality management often require practical experience as a requirement for successful completion and our Student Programme helps promising students to complete their studies with the best experience possible;
- Secondly, we offer promising graduates a full year's employment contract as part of our **Graduate Programme**, so they can gain valuable work experience after they have graduated. Graduates are exposed to all operational areas of the business in order to obtain a comprehensive grounding in facilities and event management;
- Thirdly, our **13th Birthday Bursary Scheme**, launched in June 2016, set aside R400 000 in tertiary education funding, providing bursaries to 13 full-time students who demonstrated solid academic performance, had a passion for the events and hospitality sectors and who required financial assistance to complete their studies. The scheme included acceptance onto the CTICC's Graduate Programme and a one-year employment contract.

## THE POWER OF TRAINING AND PROMOTION: HOW INVESTING IN OUR PEOPLE BENEFITS THE CTICC



Alex Gird, Charné Godfrey, Sibongiseni Gcelu and Mario Tito

The following promotion and training experiences come from a wide range of CTICC staff across all departments and talk to the benefits of long-term training and career dedication for not only the individuals concerned and the CTICC, but also the events and hospitality sector as a whole.

### Promotion Success Stories

#### Sibongiseni Gcelu

##### Former Positions:

Chef de Partie, Junior Sous Chef, Sous Chef, Senior Sous Chef

##### New Position:

Executive Sous Chef

##### Promoted:

August 2016

##### Joined CTICC:

January 2006

##### Which qualities do you think led to your promotion?

My management skills, that I am reliable, experienced, responsible and accountable, and pay careful attention to detail, led to my promotion. I've been in the industry for a couple of years and have learnt a great deal working in companies and with excellent chefs. All of these, I believe, held me in good stead and are some of the reasons why I received this promotion.

##### How do you feel about your promotion?

I feel great. It gives me an opportunity to lead a big team. This promotion also allows me to make decisions. It comes with its challenges but I love finding solutions to challenges.

##### How will your day-to-day job now change?

Before, I was more involved in the operational running of the floor. Now I am more involved in planning, making sure that

whatever we have planned is executed precisely and correctly. As Executive Sous Chef, I am also involved in menu planning and costing, and responsible for the food and staff costs and budgets, as well as making revenue targets.

##### What do you like about working at the CTICC?

The CTICC has a great team. The building itself also has one of the biggest kitchens. Working in such a big team comes with challenges, which I love. Working here also provides me with the opportunity to meet clients from all over the world.

##### Which of the events that you have worked on stand out for you and why?

The Cape Town International Jazz Festival stands out. It's a very big event and we welcome a lot of guests through our doors. The planning before the event is overwhelming. During the event you have to produce for thousands of people. It takes great planning and you have to think on your feet to make it successful. There are so many people in the building and we have to make sure that they experience five-star service.

##### What do you like about being an Executive Sous Chef?

I love leading a team and being in the position of making decisions. I like being responsible for what happens in the kitchen and if something does go wrong it comes to me first before it goes to the Executive Chef.

## Charné Godfrey

### Former Positions:

Banqueting Student, Food & Beverage Controller Assistant, Operations Service Coordinator

### New Position:

Event Executive

### Promoted:

June 2017

### Joined CTICC:

September 2014

### Which qualities do you think led to your promotion?

I would like to think that my positive attitude and hardworking traits have contributed to my promotion. I consider the ability to motivate myself, as well as my passion for the industry, as two of my biggest strengths.

### How do you feel about your promotion?

I was ecstatic and really proud of myself. This is the right career move and it could not have happened at a better time.

### What do you still hope to achieve?

I see myself in a more senior or management role in the future; but for now I'm focusing on my new position as I have a lot to learn to ensure that I am well on my way to my future goals.

### How will your day-to-day job now change?

I previously held the position of Operations Coordinator where I dealt directly with exhibitors. Now, in my current position, I am responsible for making sure that what the client envisages for his/her event, happens.

### What do you like about working at the CTICC?

I appreciate the growth opportunities. There is so much to learn and experience at the CTICC.

### Which of the events that you've worked on stand out for you and why?

The Cape Town International Jazz Festival is one that stands out. Working on the festival afforded me the opportunity to work on different aspects of the event. I was exposed to the inner workings of the Food & Beverage department and experienced how the CTICC's front of house functioned during the festival.

### What do you like about being an Event Executive?

I enjoy the interaction with different clients, the pressure that comes with the job and watching an event come together.

## Mario Tito

### Former Position:

Assistant Event Services Manager

### New Position:

Event Services Manager

### Promoted:

June 2017

### Joined CTICC:

February 2014

### Which qualities do you think led to your promotion?

I am a dedicated person and I always try my best to keep the company traditions on high. I am very energetic and believe I have a positive and caring outlook. I believe that I am able to communicate well with people from different backgrounds. I like to help others and share the little bit of knowledge I have.

### How do you feel about your promotion?

I feel really good about it. It is a great opportunity for me to learn even more. I was excited and my colleagues were very excited and supportive.

### How will your day-to-day job now change?

I have more responsibilities and oversee various aspects of an event once it is in the building. I now also liaise with clients. This position is also more physical than my previous position and I need to keep fit at all times.

### What do you like about working at the CTICC?

I love working with the team. They are a group of awesome people. The CTICC is a great company to work at and provides staff with the opportunity to learn and grow.

### Which of the events that you have worked on stand out for you and why?

The Old Mutual Trophy Wine Show is one that stands out. The client allowed me to give ideas and input and I felt part of their team. It was a challenging event and I had to plan and think on my feet but I enjoyed every moment.

### What do you like about being an Event Service Manager?

It is very important to like what you do. My new position has given me the courage to motivate others and it has also provided me with the opportunity to meet and work with local and international visitors, delegates and clients.

## Alex Gird

### Former Position:

Electrical Technician

### New Position:

Assistant Maintenance Manager

### Promoted:

April 2017

**Joined CTICC:** Worked as a CTICC contractor since 2003 and then joined the CTICC as a permanent employee in 2012.

### Which qualities do you think led to your promotion?

I believe that I am a very hard worker that does not mind putting in the extra hours to get the job done. I am very passionate about my work and I am not one to leave an issue unresolved. I take personal pride in my work and believe this is a reflection of oneself.

### How do you feel about your promotion?

I am very fortunate to have received this promotion and I believe it reflects that my work does not go unnoticed.

### What are your plans for the future?

I plan to walk a long road with the CTICC and I believe that this promotion has opened the door for me to a managerial position.

### What do you like about working at the CTICC?

My work at the CTICC is different every day and the most enjoyable part is problem solving and positive outcomes.

### Which of the events that you've worked on stand out for you and why?

The event that will always stand out for me above all is the 2010 World Cup final draw. It was amazing to be part of that team. Another event that stands out is the annual Cape Premier Yearling Sale. The Yearling Sale kicks off the year for me.

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## Training Success Stories

### Phatiswa Mlisa: Food and Beverage Store Supervisor

#### Training:

Wine Education Course, Wine & Spirit Education Trust (WSET) Level 2, International Wine Education Centre

#### Period:

30 – 31 January 2017 (2 days)

#### Joined CTICC:

February 2010

### What was the course about and what made you select this training?

This is a wine and spirit training course. I learnt about wine tasting, food and wine pairing, wine service and storage, responsible drinking, labelling of wines and spirits, the different varieties of grapes and the key wine-producing regions of the

world. I chose to go on this training course because I believe that it will help me immensely with providing our clients with the best options for their events.

### How do you think you have grown at the CTICC?

I have learnt a lot more about stock control, which is a core function of my position. Personally, through gaining valuable experience in dealing with people, I have also become a bit more extroverted and confident.

### What were the best parts of the course for you?

The course itself was an eye-opener and a great experience for me. I enjoyed learning about wine pairing and the production of wine and spirits.

### How will you be using your training on the job?

I am passionate about sourcing and buying beverages and this training has given me the ability to source different wines and spirits better for our clients. I also hope to impart what I have learnt to my colleagues, so that we can all provide a better service to our clients and visitors.

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## Charlene du Preez: Senior Procurement Officer

#### Training:

Programme in Purchasing and Supply Management, UNISA

#### Period:

July 2016 – June 2017 (1 year)

#### Joined CTICC:

March 2016

### What was the course about and why did you select this training?

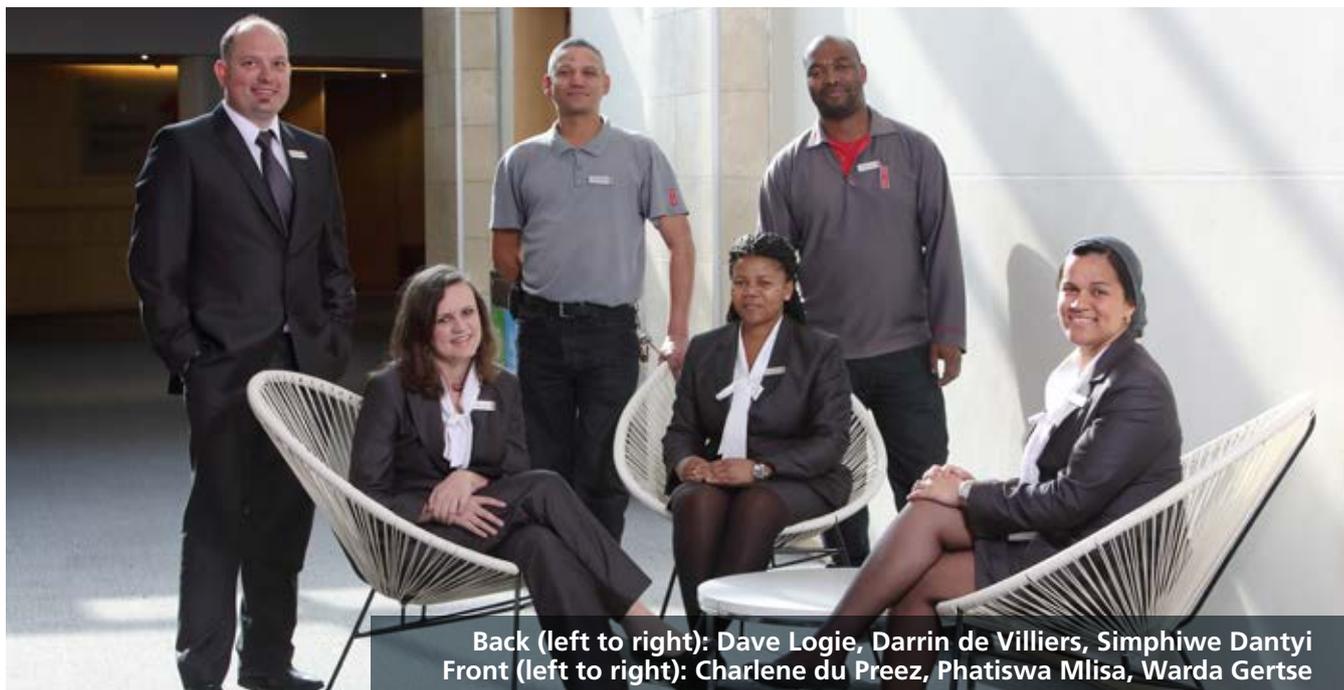
The course is a Certificate in Purchasing and Supply Management. I chose this course because I am passionate about what I am currently doing and would like to broaden my knowledge about supply chain management. I believe it will also help me to further my career.

### How have you grown at the CTICC?

My knowledge of supply chain management has increased immensely and I am able to better perform my duties because of this. I have also had the opportunity of building new relationships, which is imperative in my position.

### What were the highlights of the course for you?

Receiving the notification that I passed! I enjoyed the learning experience because it's been a while since I had any formal training. The course gave me some much-needed perspective. I also enjoyed learning about the purchasing tools. This gave me a better understanding of purchasing as a whole and clarity on the difference between normal purchasing and procurement in government.



Back (left to right): Dave Logie, Darrin de Villiers, Simphiwe Dantyi  
Front (left to right): Charlene du Preez, Phatiswa Mlisa, Warda Gertse

### Darrin de Villiers: Electrical Assistant

**Training:**

Electrical M4-M6 (Module 4 – Module 6), Electrical Contractors Association (ECA)

**Period:**

10 April – 5 May 2017 (1 month)

**Joined CTICC:**

September 2011

**Have you completed the course or is it still ongoing?**

The practical part of the training is completed. I'm waiting for the paperwork to complete my electrical trade test.

**What is the course about and why did you select this training?**

It is an electrical training course. I did not have formal training in my field, so this training was invaluable.

**What were the highlights of the course for you?**

The highlight of my training was completing Module 5, which involves the wiring of motors. I did not have any formal training in this field. I now have a better understanding of how certain components work. With the training I am now able to do the work in the correct way.

### Dave Logie: ICT Manager

**Training:**

Senior Management Development Programme, USB-ED

**Period:**

May 2017 – October 2017 (6 months)

**Joined CTICC:**

February 2015

**What is the course about and why did you select this training?**

The course was about equipping senior managers with knowledge and skills to function in a business environment, as well as to develop the necessary expertise to tackle managerial and leadership challenges. I chose this course because I wanted to develop my ability to translate strategies into action.

**How have you grown at the CTICC?**

Since being in this position, it has taught me to adapt and rise to the many challenges that we face on a daily basis. I have learnt a lot over my last two years and it has taught me to change my thinking and way of working with people and clients. Being a manager has also afforded me the opportunity to implement new and exciting initiatives which I hope will only better the CTICC's offering to its clients and visitors.

**What were the highlights of the course for you?**

There were many highlights but what stuck out most was the importance of change management, team work and collaboration, and how important it is in the daily operation of a business. The strategic planning module was also extremely helpful. It showed me how a company strategy, vision and mission can inform almost every decision you need to make.

## Simphiwe Dantyi: Maintenance Team Leader

### Training:

Electrical M0–M3 (Module 0 – Module 3), Electrical Contractors Association (ECA)

### Period:

13 March – 7 April 2017 (3 weeks)

### Joined CTICC:

February 2007

### What was the course about and why did you select this training?

The course was about the wiring and installation of electrical equipment. I completed the introductory section of the course during this period, which looked at electrical tools, pliers, electrical testers and tube spanners, amongst other things. As a child, I always loved working with anything electrical. I have always had a passion for it and always wanted to make it my career and learn more about it. I chose this training because it afforded me the opportunity to gain valuable insight into the mechanics of wiring and installation.

### How have you grown as a staff member and team leader at the CTICC?

I previously held the position of air conditioning and refrigeration assistant. When I started at the CTICC six years ago, I did not have the confidence I have today. Taking up the position of team leader, I have learnt a lot from working and interacting with staff, clients and visitors to make sure all our events are a success and run smoothly.

### What were the highlights of the course for you?

Being able to wire a distribution board and connect and wire plugs, geysers, refrigerators and anything that requires wire connections. The aspect that was most helpful was learning about electrical tools and how to make sure we work safely at all times.

## Warda Gertse: Marketing Officer

### Training:

Digital Brand Strategy, Vega School of Brand Leadership

### Period:

February – May 2017 (13 weeks)

### Joined CTICC:

March 2016

### What is the course about and why did you select this training?

The purpose of the course was to enable students to think strategically about building a digital brand presence. It also taught us how to integrate digital marketing tactics into our overall marketing strategy and to maximise the performance of online marketing investments. I selected this training as the course is relevant to my role. It allows me to look at the company's current digital presence and identify ways that we can improve it.

### What were the highlights of the course for you?

The highlights of the course were being exposed to examples of case studies showcasing the power of having a digital presence and the importance of keeping up with the digital times. It created awareness of the opportunities available to the CTICC to market ourselves on a larger scale via digital platforms. As we move with the digital times, our target audience is also moving and we need to be kept current and relevant in the digital space – locally and globally.

### Name an aspect of the training that you found most helpful for your job? And why?

Understanding the digital consumer holistically was helpful to be able to enhance our marketing collateral, campaigns and promotions to reach our audience.

## Engaging a committed workforce through performance review

At the CTICC we view effective performance management as the baseline for a high performance, learning culture. Our employees complete informal quarterly performance reviews with their line managers, at which they discuss their job descriptions, agreed performance criteria and their performance against those criteria. All CTICC employees also undergo two formal performance assessments per year.

We offer a performance-based incentive scheme to all permanent staff. The assessment for incentive awards is informed by individual Key Performance Indicators (KPIs). These are identified and agreed between each staff member and their line manager. These individual KPIs are linked to our organisational KPIs, aligning individual performance with organisational goals.

All scheduled performance reviews were completed in the year under review. Performance reviews and company performance inform employee bonuses and salary increases.



**"We offer a performance-based incentive scheme to all permanent staff. The assessment for incentive awards is informed by individual Key Performance Indicators (KPIs)."**



## THE POWER OF CUSTOMER FEEDBACK



**Delivering high levels of customer satisfaction**

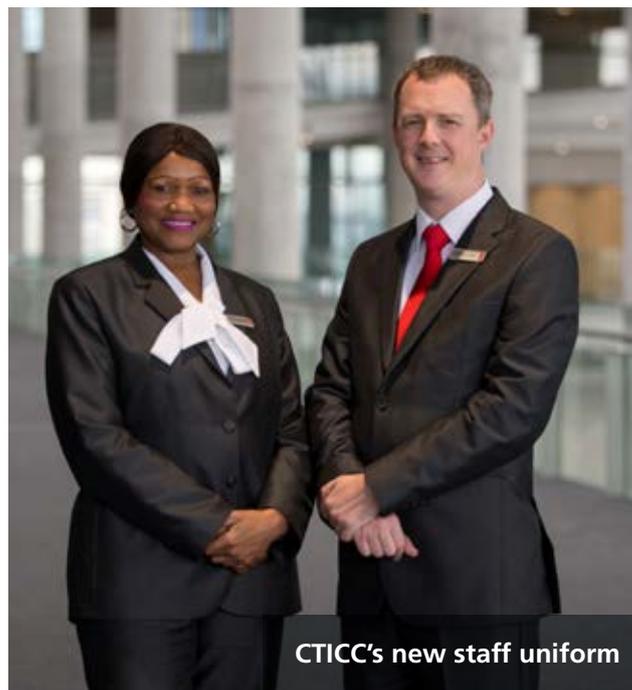
The CTICC is a service business so delivering high levels of customer satisfaction lies at the heart of everything we do. Consequently, we contract an independent company to measure our customer satisfaction levels on a monthly basis. The client surveys are composed of face-to-face, telephonic and email interviews with event organisers of nearly every event we host. The survey is designed to measure customer experience at every experience touch point, including:

- Audio-visual services;
- Cleanliness of venue;
- Coffee shop;
- Conference and exhibition services;
- Cuisine – food and beverage;
- Service of Event Executives;
- Service of Event Service Managers;
- Ease of doing business;
- IT and telecommunication services;
- Parking and marshalling yard services;
- Service of reception staff;
- Safety and security;
- Service of Sales Executives;
- Venue climate control;
- Waitron service.

For the year under review, we received an overall customer satisfaction index of 84%, a healthy 8% above our KPI target of 76%.

The results of these customer experience surveys are used to educate our staff about our clients' requirements with a view to finding ways to not only satisfy these expectations but also, indeed, exceed them.

## PERFORMING WITH PANACHE: THE CTICC'S NEW UNIFORM



**CTICC's new staff uniform**

When representing a world-class brand such as the CTICC, a uniform is more than just a uniform. It is a visual and tactile expression of the values, service and standing of the organisation. The majority of our staff are customer-facing and professional and comfortable corporate clothing allows them to perform to the best of their abilities on behalf of our clients.

Striking a balance between fashion and function can be a challenge and in line with this year's annual report theme, we wanted it to be a professional yet up-to-date look that would perform with power and panache. That means there were practical requirements with regard to durability, quality finishings, stitching and ensuring the clothing is machine washable. We were also insistent that the clothing be made in the Western Cape by a South African manufacturer. This is a major investment for the CTICC and one that we believed must benefit local suppliers.

Ordinary and conventional black was out and grey is in – as is pinstripe. Classic grey suits with a pinstripe for both men and women can be varied for women by combining the suit with a shirt or tunic, or wearing a dress with the jacket for a more formal look. For men, again the black suits have gone and grey pinstripe suits, white shirts and red ties have replaced them.

All of this takes us into the new era of the combined CTICC 1 and CTICC 2 complex. A great new look for a brand new CTICC.

# ENVIRONMENTAL IMPACT



## ENVIRONMENTAL PERFORMANCE: PRESERVING OUR PLANET

### The power of nurturing our world

The CTICC’s commitment to the planet’s preservation – economic, social and environmental – is about far more than ticking the boxes of triple-bottom-line reporting. We have never shied from that imperative. However, our commitment has always been ahead of the game. And now, with an ongoing drought in our province, we have a particular commitment to saving as much as we can of this increasingly precious resource.

A team composed of representatives from across all our divisions meets once a month to review the upcoming events calendar and identify events where waste can be upcycled to drive and reduce waste to landfill. Other items discussed at the monthly Sustainable Events Task Team (SETT) meeting are waste and sustainability statistics and operational needs surrounding food waste, electrical usage, water restrictions and use, as well as the disposal of hazardous waste. This process supports our established Nurture Our World (NOW) initiative.



## RESPONDING TO THE NEED TO SAVE WATER IN AN ONGOING DROUGHT



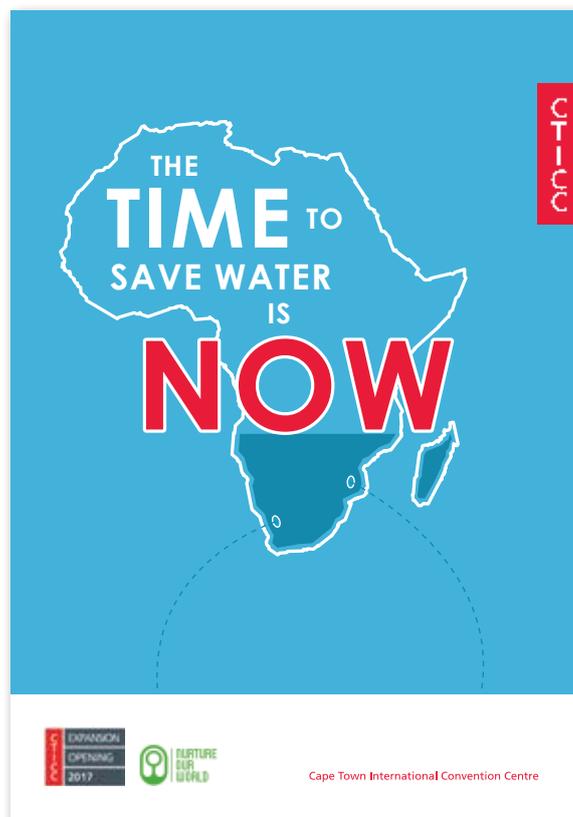
During the year under review, the drought in the Western Cape worsened and the province is now under severe water restrictions. With dams in the province just 35% full, it is critical that we all do whatever we can to reduce our water consumption.

As a result of water saving initiatives over time, the CTICC now uses 10 million litres less water per year than it did five years ago and this year used 42 600 kilolitres of water. We intend this trend to continue.

In addition to the many water saving initiatives introduced over the years, the CTICC has placed special emphasis on reducing our water consumption in the financial year and will continue to build on this in years to come. Water saving initiatives implemented this year include:

- Ceasing of landscaping irrigation with potable water;
- Installation of water tanks in the CTICC's P3 parking area to collect and store 10 000 litres of grey water – captured from the washbasins in the building's ablution facilities. The centre's operations and maintenance department identified the appropriate grey water pipes and its common exit points before it connect to any sewer line. Meters will be connected to the tanks to measure the amount of water captured;
- Utilisation of harvested grey water to irrigate landscaping within and surrounding the CTICC;
- Reduction in the flow rate of the basin tap water in all of the CTICC's ablution facilities;
- Installation of 45 000 litres of water storage for rain water harvesting. This is currently being used for inside irrigation, as well as window and floor washing. Our overall target for water storage – both rainwater and grey water – is 100 000 litres;
- Installation of electronic sub-metering throughout the building to allow us to track our water usage more accurately and enhance our ability to detect leaks throughout the buildings;
- Running an awareness campaign to educate staff and visitors on water saving actions which they can implement at home and in the workplace. These consistent water usage awareness drives with both staff and clients – particularly international clients unaware of our water usage challenges – help us in our endeavours.

The current state of the Western Cape water crisis was a key factor in our decision to implement these initiatives. However, they will form part of the centre's standard environmental sustainability practices beyond the current water crisis. We will continue to seek ways in which to minimise our water use.



## IMPROVING OUR ENVIRONMENTAL PERFORMANCE DAILY



The CTICC continues to provide the following services in order to mitigate its own environmental impact across all its products and services.

**We support conservation and recycling in the following ways. We:**

- Provide recycled/green conference stationery notepads, pencils and pens;
- Serve Forest Alliance coffee and a number of fair trade wines;
- Use locally-produced food and only serve fish on the WWF Southern African Sustainable Seafood Initiative (SASSI) green list;
- Provide water bottled on-site in reusable glass bottles or jugs using the Vivreau system;
- Discuss event greening and ways to offset their carbon footprint with our clients;
- Include a green events checklist with our marketing material and on our website to raise awareness about event greening;
- Print on Forest Stewardship Council (FSC) approved paper;
- Offer wines which are fully organic and biodynamic;
- Contribute R2.50 per delegate to the Nurture Our World (NOW) Fund for each full-day conference, half-day conference, full English or continental breakfast package purchased. These funds are used to support the CTICC's local community partners.

**We are also concerned about energy conservation and so we:**

- Use natural light in venues, whenever practical, in consultation with our clients;
- Have designed CTICC 2 to maximise the use of natural light.

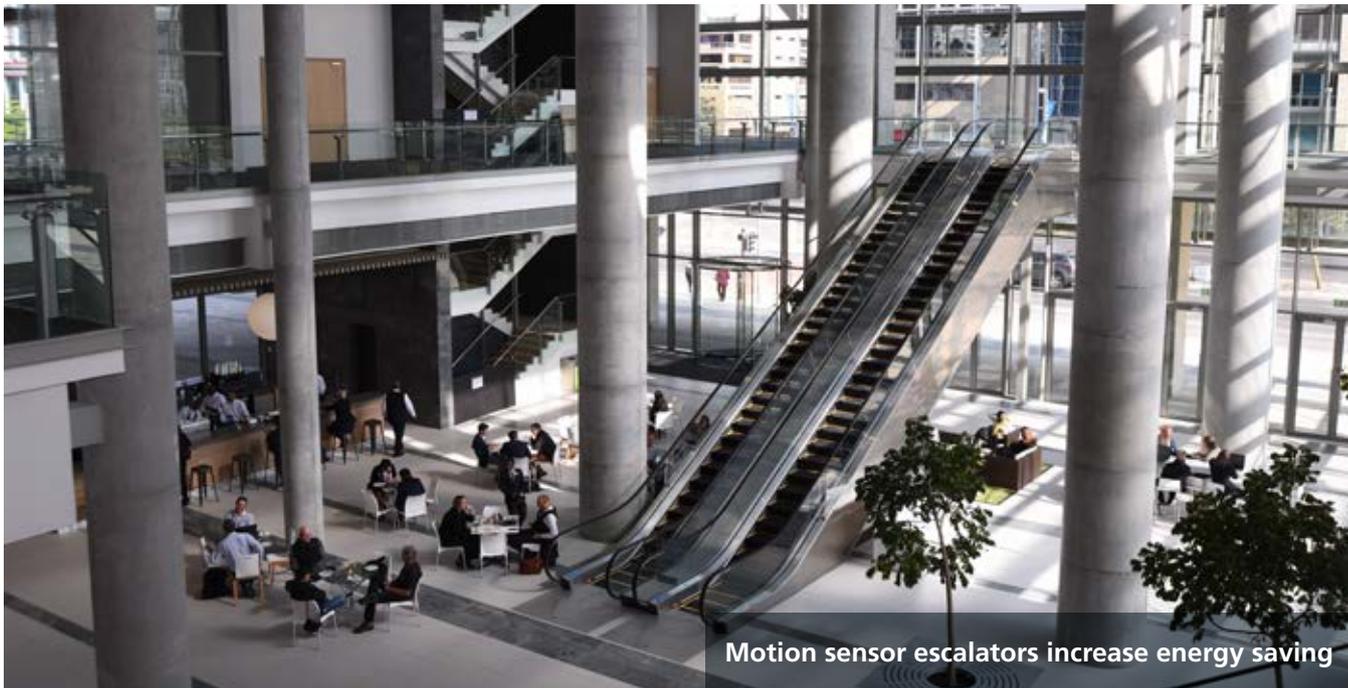
**In particular, we are concerned here in the Western Cape with water conservation, so we:**

- Recycle rainwater from capture points for cleaning services such as window-washing and irrigation;
- Collect and recycle grey water from the hand washbasins for gardening;
- Monitor activities from exhibitors for plumbing orders. Previously fresh water was used for ballast at exhibitions for the erection of external structures. We have barred this activity and only allow sand or seawater-filled ballasts.

**Finally, we are fully committed to diverting as much waste as we can away from landfill, so we:**

- Provide a multi-bin system to encourage recycling with separation at source;
- Try to source wine bottles that are corkless (i.e. screwtop) and to dispose of corks in special recycling bins;
- Collect redundant event material from exhibitions or conferences and donate it to not-for-profit organisations.

## CONTINUOUSLY POWERING DOWN OUR ENERGY USAGE

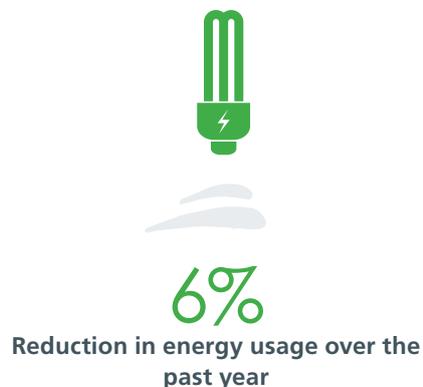
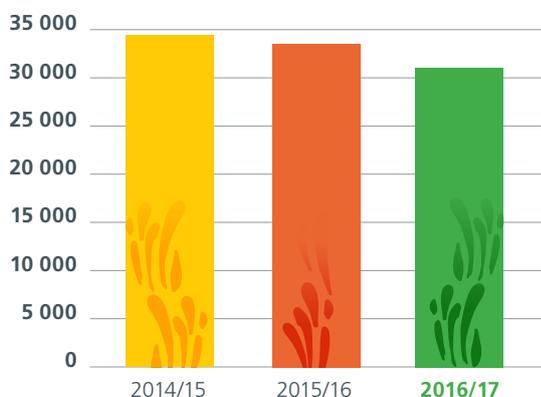


During the 12 months under review, the CTICC used 31 161.3 gigajoules of energy from primary sources (fuel) and electricity generation. This is a 6.0% reduction in energy usage over the previous year and a 10.2% overall reduction since our baseline measurement in 2012/13.

The following tables and graph illustrate this positive energy saving trend.

Year	Total kWh	Fuel Litres	Total Gigajoules	Year-on-Year	Baseline 2012/13
2014/15	9 471 860	3 985.2	34 245.0	-4.1%	-1.4%
2015/16	9 199 200	1 248.8	33 161.8	-3.2%	-4.5%
<b>2016/17</b>	<b>8 643 600</b>	<b>1 237.9</b>	<b>31 161.3</b>	<b>-6.0%</b>	<b>-10.2%</b>

Gigajoules per annum





Windaba 2016

### Reducing our electricity consumption

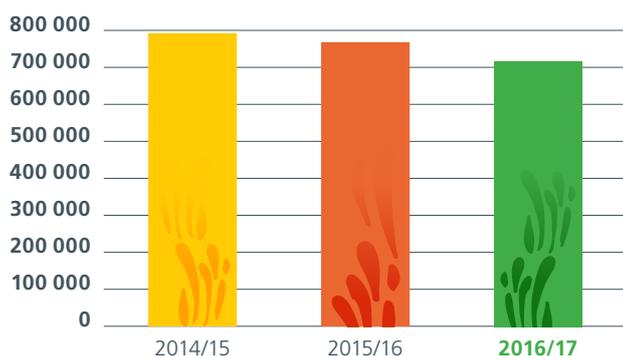
The CTICC’s electricity consumption average consists of two factors: kVA (kilovolt-ampere, peak demand) and kWh (kilowatt-hours, power consumption).

The figures for electricity use shown below demonstrate a saving of 46 300 kWh (against a reduction of 22 722 kWh in the previous year), which equates to an average saving of 6.0% in electricity consumption per month. kVA peak average usage has also been further reduced by 4.5% from the previous year.

Although no power interruptions have been experienced in the year under review, in the past financial year, the CTICC installed three additional generators to ensure that the demand at CTICC 1 would be met irrespective of any power interruptions. These generators add an additional 2 500 kVA to the generation capacity we already have. This ensures that we can now also run our chiller plant and cooling system up to 80% in the case of interruption in power supply. These units are also being fitted with new technology controllers for better fuel consumption control and will alert us timeously to the need for preventative maintenance.

Year	kVA	kWh	kWh/Day	kWh/m2	Average kVA cost per month	Average kWh cost per month	Average cost per month
2014/15	2 325	789 322	25 881	0.5	R405 024	R461 040	R866 063.90
2015/16	2 215	766 600	25 132	0.5	R428 655	R497 117	R925 772.42
<b>2016/17</b>	<b>2 117</b>	<b>720 300</b>	<b>23 640</b>	<b>0.4</b>	<b>R435 530</b>	<b>R503 931</b>	<b>R939 461.89</b>
<b>Reduction</b>	<b>-4.5%</b>	<b>-6.0%</b>					

### Average monthly kWh per annum (kWh)



  
**46 300 kWh**  
 Saved energy usage  
 over the past year

## MAINTAINING OUR RECYCLING POWER AND MINIMISING OUR WASTE

The CTICC further reinforces its environmental commitment by remaining vigilant about waste reduction in general and minimising waste being sent to landfill in particular. There has been an impressive trajectory that started with just 25% diversion from landfill in the 2010/11 financial year. This year we achieved an 84% diversion score. Our recycling begins with a rigorous policy of eco-procurement, working primarily with suppliers who offer reusable and recyclable products.

On-site recycling continues to be a vital waste management cog, with separation into three key categories taking place at source via our brightly coloured recycling bins in the public and service areas of the centre. These divide recyclables (plastic, paper, cardboard, glass, metals and other recyclable items) from organic produce (leftover food) and other waste to landfill. They remain an essential first base in our waste reduction strategy.

### Total weight and diversion of waste by type and disposal method (in metric tonnes)



# GOVERNANCE



## ENGAGING STAKEHOLDERS, IMPROVING PERFORMANCE, REDUCING RISK

### Governance commitment

The company's Board of Directors ("the Board") subscribes to the principles as set out in the King Report on Corporate Governance for South Africa 2009 ("King III"). The Board places a strong emphasis on maintaining high standards of financial management, accounting and reporting to ensure that the company's affairs are managed in an ethical, transparent and responsible manner, while also taking into consideration appropriate risk parameters.

### Board structure and responsibilities

The company has an experienced and stable Board of Directors, which directs, governs and is in effective control of its business. The Board is ultimately responsible for determining the strategic direction of the company through the establishment of strategic objectives and policies. The company has a unitary Board structure, with 12 Non-executive Directors and two Executive Directors, being the Chief Executive Officer and Chief Financial Officer. The roles of Chairperson and Chief Executive Officer are separated. The Chairperson is a Non-executive Director. A Lead Independent Director has been appointed to act in situations where the Chairperson of the Board may have a conflict of interest.

There are currently four vacancies on the Board. One is to be filled by a person nominated by SunWest International (Pty) Ltd, one nominated by the City of Cape Town, one nominated by the Western Cape Government and one nominated by the Board. A process is also underway to fill these vacancies.

Board meetings are held at least quarterly to review the company's performance against budgeted targets and more frequently if necessary. Board meetings are scheduled well in advance and Board members are provided with all relevant information to enable them to make informed decisions. A record is kept of each Director's attendance at Board and committee meetings. The Directors may seek professional advice on matters concerning the affairs of the company.

### Changes to the Board

Messrs Hlompho Ntoi and Sandise Sibanda were appointed as Independent Non-executive Directors of the Board on 25 August 2016. Mr Tim Harris was appointed by the Western Cape Government on 25 October 2016 and resigned on the 5 April 2017. Mr Gary Fisher resigned on 24 October 2016. Mr Sandise Sibanda and Ms Ruwaida Eksteen resigned on 11 May 2017.

### Board compensation and performance

Remuneration of the Board of Directors, Executives and Senior Managers is aligned with the Municipal Finance Management Act (MFMA). The Cape Town City Council sets and revises the upper limits of remuneration for the Board, as well as the CEO and all staff reporting directly to her.

Bonuses are linked to performance and the Remuneration Committee determines the CEO's performance bonus. The management team (senior and middle management) receive performance bonuses in July, based on company performance, while the bonuses paid out in February each year are based on personal performance. Shareholders approve the policy for Directors' remuneration at every second Annual General Meeting as required by the Companies Act.

## DIRECTORATE AND ADMINISTRATION FOR THE YEAR ENDED 30 JUNE 2017

**Directors****AM Boraine**

Chairperson  
Non-executive  
Appointed: 17/10/2006

**DA Cloete**

Non-executive  
Appointed: 27/10/2015

**J Ellingson**

Chief Executive Officer  
Appointed: 01/09/2014

**RSH Eksteen**

Non-executive  
Appointed: 16/02/2014  
Resigned: 11/05/2017

**GM Fisher**

Non-executive  
Appointed: 22/11/2011  
Resigned: 24/10/2016

**SW Fourie**

Non-executive  
Appointed: 22/11/2014

**EI Hamman CA(SA)**

Lead Independent Director  
Non-executive  
Appointed: 20/04/2013

**T Harris**

Non-executive  
Appointed: 25/10/2016  
Resigned: 05/04/2017

**BJ Lodewyk CA(SA)**

Non-executive  
Appointed: 20/04/2013

**AA Mahmood**

Non-executive  
Appointed: 20/04/2013

**HV Ntoi**

Non-executive  
Appointed: 25/8/2016

**S Myburgh-De Gois**

Non-executive  
Appointed: 16/02/2014

**F Parker CA(SA)**

Chief Financial Officer  
Appointed: 16/10/2012

**S Sibanda**

Non-executive  
Appointed: 25/08/2016  
Resigned: 11/05/2017

**Board Committees****Audit and Risk Committee**

BJ Lodewyk (Chairperson)  
SW Fourie  
EI Hamman  
AA Mahmood

**Human Resources and Remuneration Committee**

DA Cloete (Chairperson)  
AM Boraine  
BJ Lodewyk  
HV Ntoi

**Nominations Committee**

AM Boraine (Chairperson)  
SW Fourie  
RSH Eksteen

**Social and Ethics Committee**

EI Hamman (Chairperson)  
RSH Eksteen  
AA Mahmood  
J Ellingson

**CTICC Expansion Committee**

AM Boraine (Chairperson)  
DA Cloete  
S Myburgh-De Gois  
J Ellingson

**Administration****Company Registration Number**

1999/007837/30

**Registered Office**

Convention Square  
1 Lower Long Street  
Cape Town  
8001

PO Box 8120

Roggebaai 8012

**Company Secretary**

Interim Company Secretary Outsourced Appointment:  
SL Hallett-Hardenberg

Company: RSF COSEC

**Auditor-General**

Office of the Auditor-General  
Private Bag X1  
Chempet 7442

**Principal Bankers**

ABSA Bank Ltd  
PO Box 7735  
Johannesburg 2000

Convenco Board of Directors



## BOARD COMMITTEES

The Convenco Board committees operate in accordance with the terms of reference defined in their respective charters. Regular reports on the committees' activities are provided to the Board. The members of the committees are listed on page 114.

### Audit and Risk Committee

The Audit and Risk Committee is constituted as a statutory committee of the company in respect of its statutory duties in terms of section 94(7) of the Companies Act and as a committee of the Board in terms of all other duties assigned to it by the Board. The committee currently comprises three independent Non-executive Directors and one Non-executive Director appointed by one of the shareholders, all of whom are suitably skilled, competent and experienced. The CEO and CFO attend meetings of the committee. Both the internal and external auditors have access to the committee and are invited to attend committee meetings.

The committee exercises oversight of the internal financial controls of the company. It reviews the adequacy and effectiveness of: the financial reporting processes; accounting practices; management information systems; the system of internal controls; the management of financial, investment and operational risks; the internal and external audit processes; and compliance with laws and regulations. The committee makes submissions to the Board regarding accounting policies, financial control, records and reporting. As the company does not have a separate risk committee, the Audit and Risk Committee also oversees the risk management process and monitors the implementation of the CTICC's risk management plan and risk register, which is reviewed by the Board quarterly and approved annually. The committee meets at least quarterly. It met five times during the past financial year.

### Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee comprises four Non-executive Directors and meets at least four times for the purpose of reviewing annual salary increases, bonus incentives and the company's remuneration strategy. The committee's meetings are attended by the CEO, CFO and the Human Resources Manager of the company. It met four times during the past financial year.

### Nominations Committee

The Nominations Committee comprises three Non-executive Directors and is tasked with overseeing and making recommendations to the Board to ensure that:

- The Board has the appropriate composition to execute its duties effectively;
- Directors are appointed through a formal and transparent process;
- Ongoing induction, training, development and evaluation of Directors take place.

The committee met three times during the past financial year.

### Expansion Committee

The Expansion Committee has been mandated by the Board to oversee all aspects of the CTICC's expansion. The committee currently comprises the Chairperson of the Board, two Non-executive Directors and the Chief Executive Officer of the Company. Members of the company's Executive Management team also attend meetings of the committee. The committee met four times during the year under review.

### Social and Ethics Committee

The Social and Ethics Committee comprises three Non-executive Directors and the Chief Executive Officer. The committee's role is to monitor the company's activities, having regard to relevant legislation, other legal requirements and/or prevailing codes of best practice. The Social and Ethics Committee oversees matters related to social and economic development; good corporate citizenship; and the environment. Matters of health and public safety, including the impact of the company's activities, fall within the purview of the committee. In addition, it also monitors matters related to the company's products or services and consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws and labour and employment. Its role is also to draw matters within its mandate to the attention of the Board and to report, through one of its members, to the shareholders at the company's Annual General Meeting on the matters within its mandate. The committee is also tasked with monitoring and reporting on the company's approach and implementation of ethics management across the business. The committee met three times during the year under review.



## Details of Conenco Board composition 2017

Independence	Surname	First Names	Date of Appointment	Gender		Ethnicity					Age Group			
				Female	Male	African	Coloured	Indian	White	20 - 30	31 - 40	41 - 50	Above 50	
(*)	Boraine	Andrew Michael	17 Oct 2006		•					•				•
(*)	Cloete	Deon Anton	27 Oct 2015		•					•				•
(*)	Eksteen	Ruwaida Suzette Heidi	16 Feb 2014 (Resigned 11 May 2017)	(R)			(R)					(R)		
#	Ellingson	Julie-May	1 Sept 2014	•						•			•	
(#)	Fisher	Gary Morton	22 Nov 2011* (Resigned 24 Oct 2016)		(R)					(R)				(R)
(#)	Fourie	Solly William	22 Nov 2011		•		•							•
*	Hamman	Ethel Irene	20 Apr 2013	•			•							•
*	Lodewyk	Barry Joseph	20 Apr 2013		•		•							•
*	Mahmood	Aklaaq Ahmed	20 Apr 2013		•			•						•
(*)	Myburgh-De Gois	Sharon	16 Feb 2014	•						•				•
*	Ntoi	Hlompho Vuyo	25 Aug 2016		•	•								•
#	Parker	Fairoza	16 Oct 2012	•					•					•
*	Sibanda	Sandise	25 Aug 2016 (Resigned 11 May 2017)		(R)	(R)								(R)
(*)	Harris	Tim	25 Oct 2016 (Resigned 5 Apr 2017)		(R)					(R)		(R)		
			<b>Total</b>	<b>4</b>	<b>6</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>4</b>			<b>5</b>		<b>5</b>

\* Independent Non-executive

(\*) Independent Non-executive appointed by the City of Cape Town

(#) Independent non-executive appointed by the Western Cape Government

# Executive

(R) Resigned during the year and not counted as part of the total

## Convenco Board resignations

Independence	Surname	First Names	Date of Appointment	Date of Resignation
(#)	Fisher	Gary Morton	22 Nov 2011	24 Oct 2016
(#)	Harris	Tim	25 Oct 2016	5 Apr 2017
(*)	Eksteen	Ruwaida	16 Feb 2014	11 May 2017
*	Sibanda	Sandise	25 Aug 2016	11 May 2017

(\*) Independent Non-executive appointed by the City of Cape Town

(#) Independent Non-executive appointed by the Western Cape Government

\* Independent Non-executive

Messrs Fisher and Sibanda resigned from the Board due to increased work commitments and Mr Sibanda also relocated to Johannesburg. Mr Harris resigned from the Board due to concerns about a possible conflict of interest given that a family member serves on the City of Cape Town's Audit Committee. Ms Eksteen resigned following her engagement with the City of Cape Town and the Chairperson regarding her involvement as a member of the Board.

## Details of directors' meeting attendance 1 July 2016 – 30 June 2017

Name of Director	Board	Audit and Risk Committee	HR and Remuneration Committee	Nominations Committee	Social and Ethics Committee	Expansion Committee
<b>Total number of meetings</b>	<b>10</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>
AM Boraine	8	–	4	3	–	3
DA Cloete	10	–	3	–	–	2
RSH Eksteen	6	–	–	3	3	–
JM Ellingson	10	(5)	(4)	(3)	2	4
GM Fisher	3	–	–	–	–	–
SW Fourie	6	3	–	2	–	–
El Hamman	9	4	–	–	3	–
BJ Lodewyk	10	5	4	–	–	–
AA Mahmood	5	4	–	–	2	–
S Myburgh-De Gois	10	–	–	–	–	4
HV Ntoi	8	(1)	3	–	–	1
F Parker	6	(5)	(4)	–	–	1
S Sibanda	5	–	–	–	–	1
T Harris	3	–	–	–	–	1

() Attended meeting in a capacity other than as a committee member

A sub-committee of the Board comprising AM Boraine, DA Cloete, El Hamman and BJ Lodewyk met five times during the financial year.

## COMPLIANCE, GOOD GOVERNANCE AND RISK MANAGEMENT



### Precautionary principle approach to risk

The Board places a strong emphasis on proactive risk management within the company and the Audit and Risk Committee is responsible for monitoring the management of risk. The precautionary principle is used as a tool when making decisions that might pose a risk to the organisation. The objective of this principle is to prevent harm from the outset, rather than managing it after it has happened. There is a separate risk register for the CTICC 2 expansion, which is closely monitored by the Expansion Committee.



## STAKEHOLDER ENGAGEMENT REVIEW



As an important roleplayer in both the leisure and business tourism sectors globally, the CTICC engages with a number of different stakeholders, as identified in the About the CTICC section in this report. The list of key stakeholders and their respective roles follows in the table below.

### Our stakeholders and how they help us perform

List of stakeholder groups	Basis for identification and selection of stakeholders
<b>City of Cape Town</b>	Primary shareholder and investor. Important to governance of the CTICC.
<b>Western Cape Government</b>	Second largest shareholder and investor. Important to governance of the CTICC.
<b>Clients: Professional conference, exhibition and event organisers</b>	Vital to the financial sustainability of the CTICC.
<b>CTICC staff</b>	Fundamental to the longevity, sustainability and reputation of the CTICC.
<b>Service partners</b>	Important to effective delivery on organisational goals/KPIs.
<b>Local community partners: Abalimi Bezekhaya, Foundation for Alcohol-Related Research (FARR), the Haven Night Shelter, Ikhaya le Themba, Journey of Enrichment, Mitchell's Plain School of Skills and Mothers Unite</b>	Established community-based organisation partnerships since 2011 to strengthen community ties and offer ongoing support to the valuable work of the organisations. New partnerships with Ikhaya le Themba, Journey of Enrichment and Mothers Unite were announced in January 2017.
<b>Cape Town Convention Bureau</b>	Business unit within the Official Tourism, Trade and Investment Promotion Agency for Cape Town and the Western Cape (Wesgro). A strategic alliance that assists in attracting international conferences to the CTICC and Cape Town.
<b>Tourism industry stakeholders</b>	Raise the tourism profile of the city and region. Collaborating in order to position the CTICC and the region at top of mind.
<b>Media</b>	Partner in raising awareness about the CTICC. Primary target audience for reputation management action plans.
<b>CCID: Safety and security stakeholders and hotel security group</b>	Partner in ensuring safety and security of delegates during events within the CBD and surrounding hotels.

## HOW WE ENGAGE WITH OUR STAKEHOLDERS AND SHAREHOLDERS



International Hotel School site visit

Our intention is to maximise stakeholder interaction, so a range of events are arranged throughout the year. These include the regular CTICC Board meetings, the Annual General Meeting, shareholder meetings and social stakeholder events.

These platforms allow for face-to-face discussions and are an ideal way of receiving direct feedback from our shareholders and stakeholders. Stakeholder engagement initiatives include:

- A variety of client-specific events hosted throughout the year at which clients are able to provide direct input to the centre around challenges and concerns;
- A series of stakeholder events to which industry roleplayers, media and suppliers are invited to engage with the CTICC;
- Comprehensive “product and service” feedback sessions as part of thorough client de-briefing sessions after each key event;
- Monthly client surveys conducted by an independent third-party supplier;
- Extensive social media interaction with 22 270 Facebook members and 6 063 Twitter followers as at 30 June 2017.

A key stakeholder focus is our membership of both local and international trade associations, which helps us to position the CTICC as a global player in the conventions and events sector (a full list of our memberships is included in the About the CTICC section of this report on page 23). CTICC staff members are particularly active in these associations and our contribution helps support and strengthen the industry both nationally and internationally.

Notably, the CEO is the first African representative to be voted onto the Board of the International Association of Congress Centres (AIPC) and has been re-elected in July 2017. The CTICC’s Business Development Manager: National served on the Board of the Exhibition Association of South Africa (EXSA). CTICC’s Executive Chef is a member of the South

African Chef’s Association and Chaîne des Rôtisseurs and the Executive Assistant to the CEO is a member of the Professional Association for Secretaries and Administrative Assistants.

### The importance of employee engagement

The CTICC considers employees to be a vital stakeholder in the success of the centre. Many of our staff are customer-facing and are vital ambassadors for our brand in that regard. We believe it is essential to engage and inform staff throughout the year on the CTICC’s progress and plans. As such we use the following platforms for this purpose:

- At least four staff meetings per year designed to encourage and inspire interaction and feedback. These meetings cover company performance, staff training presentations, staff travel feedback and long service and star performer awards;
- Internal communication platforms such as the CTICC intranet, staff emails, KPA meetings and notice boards update staff about company news on a continuous basis;
- Special staff incentive days include Poorman’s Fridays, which are informal, monthly staff get-togethers held on the Friday before “payday”. Staff wear business casual dress and the working day is capped with an informal cocktail function with some good music and snacks; the intention is to provide an opportunity to relax, catch a break from stringent schedules and ultimately encourage better inter-departmental and company-wide employee relationships;
- The staff year-end function is a further chance for staff to bond in a different setting in December. This is organised annually by the company’s Social Committee;
- The annual staff team building took place in January 2017. The day was filled with team bonding and various interactive as well as informative sessions.

## CTICC 2 site visits

During the financial year, the CTICC's Commercial team was hard at work promoting the potential of CTICC 2 to new and existing clients and conducted over 25 site inspections of the expansion project with clients. Client feedback has been positive, especially around the amount of natural light in the venues, extensive balconies and outside space, modern features and the impressive views the venues offer.

The expansion project also provided us with the ideal opportunity to re-engage with clients, discuss expectations and get early feedback on their upcoming events.

The CTICC's Business Development Managers received training to conduct the site visits as demand for site inspections had exceeded our expectations. The team procured vests, hard hats and construction boots to conduct the visits responsibly. We were proud to host the following clients and stakeholders on tours of our new facility and expect demand to increase with the official opening of CTICC 2.

1. Africa Travel Week
2. AfricaCom
3. Board of Healthcare Funders of Southern Africa
4. Cape Town & Western Cape Convention Bureau
5. Cape Town International Jazz Festival
6. FanCon
7. Fibre to the Home (FTTH) Council Africa Annual Conference
8. 3rd International Global Food Security Conference
9. IAW Water Loss Conference
10. ICCA Africa
11. In-House Venue Technical Management (IVTM)
12. ITE Integration, Africa Oil & Gas events team (x2)
13. ITS Integration
14. KFC
15. MamaMagic – The Baby Expo
16. Mining Indaba
17. Planning Conference Africa
18. Property Buyers Expo
19. Scatterlings Cape Town
20. South African Council of Shopping Centres
21. Tourism Indaba
22. World Ophthalmology Congress
23. Young President's Organisation



“The expansion project also provided us with the ideal opportunity to re-engage with clients, discuss expectations and get early feedback on their upcoming events.”



World Ophthalmology Congress  
CTICC 2 site inspection



Tourism Indaba visit to CTICC 2



Scatterlings Cape Town site visit



ITE Exhibitions site visit



MamaMagic site visit



Young Presidents' Organisation site visit



Africa Oil-ITE site visit



Planning Conference Africa site visit



Cape Town International Jazz Festival site visit

## STAKEHOLDER ENGAGEMENT: OPPORTUNITIES TO ENHANCE PERFORMANCE



### Meeting of minds

Direct dialogue with our stakeholders is important to the CTICC. This year's stakeholder engagement activities were aimed at deepening the value, creating long-term beneficial partnerships and delivering outstanding client service. Moreover, our stakeholder engagement activities allow us to gather a diversity of perspectives into the business and provide an opportunity to innovate and co-create solutions.

The following examples highlight how the CTICC engaged with stakeholders, especially key clients, over the financial year:



### National Conference Campaign Open Days

**1 and 3 November 2016**

The National Conference Open Days formed part of the CTICC's National Conference marketing campaign which ran for three months leading up to the open days. Existing and prospective clients were invited to attend. The CTICC's National Sales team presented the Day Conference Packages for 2017 and provided an update on the expansion project, while CTICC service providers also presented their product service offering. The day ended with site inspections of CTICC 1 and 2. Almost 40 clients attended over the two days.



## Client Engagement Function: Growing Our Value

**25 November 2016**

CTICC Management and staff from the Commercial Department hosted 60 clients and stakeholders to thank them for their support throughout the year. The theme “Growing Our Value” was linked to the CTICC 2 expansion.

## ICCA Association Meetings Programme Stavanger, Norway

**5 – 7 July 2016**

The Business Development Manager: International and the Sales Executive: International attended the ICCA AMP in Norway. AMP is ICCA’s new annual event, where members and international association executives learn from each other and a faculty of experts about key aspects of bidding and decision-making, as well as organising, promoting and designing international association meetings. A total of 150 delegates were registered to attend the event, of which 30 were association executives. The Business Development Manager: International also took part in the Business Lead Exchange during the conference, presented the World Endodontic Conference as a case study and accessed additional information on 53 leads presented during the event.



## 83rd UFI Congress Shanghai, China

**9 – 12 November 2016**

The Business Development Manager: National (Lindy Cambouris) and Conference & Exhibitions Services Manager (Arno Ruiters) were among the 600 delegates attending from all over the world. The theme of the Global Association of the Exhibition Industry (UFI) Congress was: “Ripples – The Exhibition Industry in Transformation”. During the congress, Lindy and Arno were awarded with an UFI-EMD certificate for successfully completing the UFI Exhibition Management Degree.




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### IMEX America Las Vegas, United States of America 18 – 20 October 2016

The Business Development Manager: International travelled to Las Vegas to attend IMEX America – “America’s worldwide exhibition for incentive travel, meetings and events”. A total of 18 appointments were scheduled prior to the show. A further ten meetings with potential clients were held during the exhibition.

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### Film Campaign Open Day 29 November 2016

The National Sales Department hosted 16 clients from the film industry, including production companies, directors and location scouts. The Wesgro Film and Media Department updated the market on current and potential new trends. The CTICC team presented the venue as a potential location and introduced the guests to the CTICC’s expansion project. A site inspection of CTICC 1 was also conducted.




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### Meetings Africa Tour: International Media Visit 26 February 2017

The CTICC hosted 15 international and national journalists and industry partners during a site visit and presentation in the run-up to Meetings Africa 2017. The group was accompanied by representatives from South African Tourism. The CTICC’s GM: Commercial and Business Development, Business Development Manager: International and Corporate Communications Manager led the group tour.

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### Meetings Africa 28 February – 1 March 2017

The CTICC team participated in Meetings Africa – a Pan-African Business Events Trade Show now in its twelfth year. The trade show is a platform for exhibitors to showcase their offerings to associations, and international and local planners. The CTICC had 30 scheduled appointments.



## Kenyatta International Convention Centre

**3 March 2017**

The CTICC CEO hosted delegations from the Kenyatta International Convention Centre and the Kenyan Tourism Finance Corporation. Having recognised and appreciated that South Africa has invaluable management experience and well-developed innovative products that attract tourism, making it the leading tourism hub in Africa, the Kenyan team travelled to the CTICC and South Africa to benchmark the South African experience and get valuable insight on investment and development of niche tourism products.



## Joint Association Member Meeting (JAMMS)

**22 March 2017**

Entitled "Economic Development in Tourism", the JAMMS event was hosted at the CTICC. The CTICC CEO, the then National Minister of Tourism, Derek Hanekom and Western Cape Minister of Economic Opportunities, Alan Winde, were keynote speakers and engaged industry members and representatives on challenges the industry faces in business development and barriers to its expansion.

## Jazz Festival and VIP Engagement

**30 March and 1 April 2017**

The CTICC hosted VIP clients, Ambassadors, and event and tourism stakeholders during both days of the Cape Town International Jazz Festival at the CTICC's hospitality suite and exclusive entertainment area.



## Exhibitions & Trade Fairs Workshop

**21 June 2017**

The Chief Executive Officer and executive management hosted several repeat exhibitions and trade fair clients during an intensive full-day workshop. Clients and staff collaborated on improvement areas throughout the CTICC service chain, including booking and finance processes, communication, health and safety, resourcing, pricing and rates, response times and event day logistics. The centre received valuable feedback and insights into their clients' businesses. Several key action plans were devised and are being explored for implementation.



## Powerful local partnerships help us perform

Central to our sustainable success is our collaboration with our Shareholders, local tourism bodies, eventing organisations and our own CTICC ambassadors. Not only do such partnerships enhance our own position, but they also allow us to grow and develop the entire industry together. These partner organisations include, but are not limited to, the following:

### **The City of Cape Town**

The CTICC won 16 international conference bids during 2016/17 against stiff competition from other international convention centres. The CTICC's strength in the bidding process lies, without a doubt, in the attractiveness of Cape Town as a world-class business destination. The City of Cape Town's strategic efforts in this regard allow us to offer conference and exhibition organisers the benefits of a well-run city with invigorating infrastructure development projects and proactive leadership.

As a globally competitive business destination, Cape Town offers growing industry sectors, first-class universities, unparalleled tourism experiences, creative event services and suppliers, as well as a skilled and talented workforce. In November 2016, the City of Cape Town launched its new "Invest Cape Town" initiative, which will spearhead a business brand strategy to galvanise even further catalytic investments. The visionary participation of the Executive Mayor and Mayoral Committee Members in the CTICC's work provides invaluable support in establishing the CTICC as a business tourism powerhouse in Africa.

### **Cape Town & Western Cape Convention Bureau**

A strategic business unit of Wesgro, this organisation works to promote Cape Town and the Western Cape globally as a premier destination for meetings, incentives, conferences, events, exhibitions and trade fairs. The Bureau is a valued ally and provides pre- and post-bid assistance, convention planning support and event services to business event planners. Indeed,

as a result of our collaboration, we have secured prominent international association conferences for the CTICC and Cape Town.

### **The South African National Convention Bureau (SANCB)**

SANCB plays an essential role in positioning South Africa as a whole as a world-class international meetings and events destination. It is a "one-stop" solution for independent information and assistance, giving advice on all aspects of organising and hosting a business event in South Africa. They coordinate national bidding, undertake research and collaborate with city and provincial convention bureaux, such as the Cape Town & Western Cape Convention Bureau, to promote business events in South Africa. The CTICC often cost-effectively collaborates with both the above organisations when travelling to international industry events, frequently sharing stands at exhibitions and trade fairs.

### **CTICC Ambassador Programme**

The CTICC Ambassador Programme was created in 2013 to raise the competitiveness of Cape Town as a sought-after international association conference destination. Modelled on international standards of best practice, this initiative aims to tap into the resources of Cape Town's academic, medical and scientific fraternity in order to attract a greater share of the international association convention market. The programme involves recruiting recognised experts or key opinion leaders in their field, who can serve as ambassadors for Cape Town and help champion the destination abroad. There are currently 19 CTICC Ambassadors.



CTICC 2 offers formal and informal meeting spaces

# OUTLOOK



## POWERING INTO THE FUTURE WITH PANACHE

### How our forward book is performing

Competing for international events is challenging. Volatile economies both here and abroad make for nervous clients, both current and potential. On top of that reality comes increasing competition for a seemingly shrinking market. Our response to that is to work even harder to seek out the new sectors in the global economy that are growing. Sometimes those opportunities are surprising – such as the success of the first South African International Tattoo Convention this year. Who would have known Cape Town had an international reputation in this creative segment? But it does. Similarly, the intersections of that same creative industry with technology and social media can reap new business dividends: the growing success and size of FanCon is such a discovery.

The key to this sales process is, then, research. It is about joining the dots, finding the decision-makers, making the connections and, of course, making the sale. And although we may be lucky to be located in the premier business tourism destination in Africa, and recognised consistently for being so, this does not always open doors automatically. So we plan ahead and do our best to populate our forward book as far into the future as we can.

We mainly do this by winning bids and tenders for large international association conferences and it seems we have found a niche in particular sectors, which we dovetail as far as we can with the region's nine key sectors for trade, investment and growth (see page 35). In line with this, the majority of the international bids we have won this year are in the health, medical or technology arenas – from the International Association of Pancreatology to the 18th International Congress on Immunology to the rather racier-sounding 22nd International Conference on Cyclotrons and the International Conference on Space Operations. These events will take place from December 2017 through to August 2022.

At September 2017, we have 58 international congresses secured on our forward book as listed on page 133.



# 58

International congresses secured in our forward book



**“We mainly do this by winning bids and tenders for large international association conferences and it seems we have found a niche in particular sectors, which we dovetail as far as we can with the region's nine key sectors for trade, investment and growth.”**



## COMPREHENSIVELY PREPARED FOR THE FUTURE



CTICC front-of-house staff welcome visitors

In terms of customer experience, we remain committed to ongoing training of our staff to ensure they are at the cutting edge of developments and expertise in the events and tourism sectors, as our case studies demonstrate. As importantly, our food and beverage offering is being comprehensively overhauled by our new Executive Chef Roberto and we have every confidence that culinary innovations will continue to attract and entice our clients for many years to come.

We are also now able to deliver on the promise of selling CTICC 1 and CTICC 2 as a complex that offers greater levels of versatility, more space and the latest state of the art technology under "one" roof. Long-standing clients such as AfricaCom are already booked to occupy our new spaces – indeed, they will expand across both buildings in November this year and in 2018 as well. And many of our bigger conferences can now spread their wings and breathe across the entire complex.

Finally, then, we are able to offer a considerably expanded state-of-the-art offering in an increasingly reviving and vibrant area of a city that just keeps on giving. We believe we couldn't be better placed to deliver on our promise of power, panache and performance to whoever comes our way.



*"In terms of customer experience, we remain committed to ongoing training of our staff to ensure they are at the cutting edge of developments and expertise in the events and tourism sectors, as our case studies demonstrate."*



## International bids secured up to 2022 as at September 2017

Start Date	Description	Forecast Attendance
Sept 2017	11th International Heavy Haul Association Conference	1 000
Sept 2017	1st Global Evidence Summit	1 000
Sept 2017	International Confederation of School Principals Convention 2017	1 000
Sept 2017	Breathing 2017: Asthma and COPD Hybrid Scientific Conferences	75
Sept 2017	1st African Regional Symposium Rock Mechanics for Africa (AfriROCK) 2017	360
Sept 2017	Round Square International Conference 2017	1 200
Oct 2017	24th Africa Oil Week Conference 2017	790
Oct 2017	Conference of the International Union for the Scientific Study of Population	2 000
Nov 2017	AfricaCom 2017	1 600
Nov 2017	World Congress of the International Society of Orthopaedic Surgery and Traumatology 2017	1 500
Dec 2017	3rd International Conference on Global Food Security 2017	650
Dec 2017	29th International Texas Symposium on Relativistic Astrophysics 2017	500
Dec 2017	International Young Water Professionals Conference 2017	400
Feb 2018	Microsoft Tech Summit	2 000
Feb 2018	HIV Vaccine Trials Network Conference 2018	300
Feb 2018	Future Earth Conference on Sustainable Development Goals	500
Mar 2018	GTR   Exporta 2018	300
Mar 2018	17th World Conference on Tobacco or Health 2018	1 800
Apr 2018	IFC Global Private Education Conference 2018	600
May 2018	Congress of the World Federation of Occupational Therapists 2018	2 500
Jun 2018	Adaptation Futures Conference 2018	1 000
Jul 2018	International Congress of Linguists 2018	1 000
Aug 2018	Produce Marketing Association 2018	500
Sept 2018	Congress of the Liga Medicorum Homoeopathica Internationalis 2018	750
Sept 2018	Biennial Conference of the World Federation of Right To Die Societies	300
Sept 2018	Conference of the International Union of Marine Insurance 2018	600
Oct 2018	BIOMIN World Nutrition Forum 2018	720
Oct 2018	36th Conference of the International Society for Trenchless Technology – NO DIG International 2018	150
Oct 2018	World Congress of Internal Medicine 2018	<b>6 000</b>
Oct 2018	International Inorganic-bonded Fiber Composites Conference 2018	200
Oct 2018	World Congress of Audiology 2018	1 500
Nov 2018	AfricaCom 2018	800
Nov 2018	OAC, UITP & UATP Conference	1 500
Dec 2018	18th International Congress of Endocrinology 2018	<b>5 500</b>
Mar 2019	Young Presidents' Organisation (YPO) 2019 Global Leadership Conference & EDGE	2 000
Mar 2019	INSOL International Annual Regional Conference 2019	500
Apr 2019	ASSA Colloquium (joint PBSS, IAALS and IAAHS Colloquium, hosted by ASSA)	600
May 2019	Society for Risk Analysis (SRA) World Congress Meeting 2019	400
Aug 2019	International Association of Pancreatology 2019	1 000
Sept 2019	22nd International Conference on Cyclotrons and their Application 2019	250
Sept 2019	World Conference on Ecological Restoration 2019	1 000
Sept 2019	World Congress of the International Federation of Freight Forwarders Associations 2019	600
Oct 2019	17th African Regional Conference of the International Society of Soil Mechanics and Geotechnical Engineering 2019	300
Oct 2019	36th International Conference of the International Society for Quality in Health Care 2019	1 500
May 2020	International Conference on Space Operations (SpaceOps) 2020	1 200
Jun 2020	ISF World Seed Congress 2020	1 500
Jun 2020	World Ophthalmology Congress 2020	<b>15 000</b>
Aug 2020	International Symposium on Microbial Ecology 2020	1 500
Sept 2020	18th International Congress of Dietetics 2020	1 500
Oct 2020	30th International Mineral Processing Congress 2020	900
Nov 2020	Annual Meeting of the International Association of Forensic Toxicologists 2020	600
Mar 2021	International Congress of Human Genetics 2021	<b>7 000</b>
July 2021	International Conference on Mercury as a Global Pollutant 2021	1 000
July 2021	International Conference on Animal Genetics	600
May 2022	International Congress of Cytology 2022	750
Aug 2022	17th International Heat Transfer Conference 2022	1 200
Aug 2022	18th International Congress of Immunology 2022	<b>6 000</b>
Oct 2022	76th Congress of the International Fiscal Association 2022	2 000

# ANNUAL FINANCIAL STATEMENTS



## CONTENTS

The reports and statements set out below comprise the annual financial statements presented to members:

Directors' Responsibility Statement	<b>136</b>
Report of the Directors	<b>137</b>
Company Secretary's Certificate	<b>138</b>
Report of the Audit and Risk Committee	<b>139</b>
Report of the Human Resources and Remuneration Committee	<b>141</b>
Report of the Nominations Committee	<b>142</b>
Report of the Social and Ethics Committee	<b>143</b>
Report of the Auditor-General	<b>144</b>
Statement of Financial Position	<b>148</b>
Statement of Financial Performance	<b>149</b>
Statement of Changes in Net Assets	<b>149</b>
Cash Flow Statement	<b>150</b>
Statement of Comparison of Budget and Actual Amounts	<b>151</b>
Notes to the Annual Financial Statements	<b>152</b>

## DIRECTORS' RESPONSIBILITY STATEMENT

for the year ended 30 June 2017

The Directors are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements of the Cape Town International Convention Centre Company (SOC) Ltd (RF). The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations of such Statements issued by the Accounting Standards Board, the Municipal Finance Management Act of South Africa, 2003 and the Companies Act of South Africa. The financial statements are based on appropriate accounting policies, consistently applied.

The Directors are also responsible for the Company's systems of internal financial control. These control procedures are designed to provide reasonable, but not absolute, assurance about the reliability of the financial statements, that assets are safeguarded and to prevent and detect losses. The Directors are not aware of any significant breakdown in the functioning of these measures, procedures and systems during the year under review.

The going concern basis has been adopted in preparing the financial statements. The Directors have no reason to believe that the company will not be a going concern in the foreseeable future, based on forecasts and available cash and finance resources.

The financial statements have been audited by the Auditor-General of South Africa, who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, Board of Directors and committees of the Board. The Directors are of the opinion that all representations made to the independent auditors during the audit are valid and appropriate. The responsibility of the external auditors is to express an opinion on the financial statements in accordance with the accounting framework.

### Approval of the annual financial statements

The annual financial statements which appear on pages 148 to 181 were approved by the Board of Directors on 24 August 2017 and are signed on their behalf by:



Authorised Director  
24 August 2017



Authorised Director  
24 August 2017

## REPORT OF THE DIRECTORS

### for the year ended 30 June 2017

The Directors have pleasure in presenting their report for the year ended 30 June 2017.

#### 1. General review

The Company's business and operations and the results thereof are clearly reflected in the attached financial statements.

#### 2. Dividends

No dividends were declared or recommended during the year.

#### 3. Share capital

There were changes in the authorised and issued share capital of the Company during the period under review. Refer to note 7.

#### 4. Directors

The Directors of the Company during the year under review and at the date of this report were:

AM Boraine (Chairperson)

J Ellingson (CEO)

GM Fisher (Resigned on 24 October 2016)

F Parker (CFO)

S Myburgh-De Gois

RSH Eksteen (Resigned on 11 May 2017)

SW Fourie

El Hamman

BJ Lodewyk

AA Mahmood

DA Cloete

HV Ntoi (Appointed on 25 August 2016)

S Sibanda (Appointed on 25 August 2016; Resigned on 11 May 2017)

T Harris (Appointed on 25 October 2016; Resigned on 5 April 2017)

#### 5. Auditors

The Auditor-General of South Africa was reappointed as auditor in terms of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

#### 6. Shareholding

The City of Cape Town owns 71.4% of the Company's shares. The remaining shares are held by the Provincial Government of the Western Cape (23.2%) and SunWest International (Pty) Ltd (5.4%).

#### 7. Subsidiary

The Company has only one subsidiary, the Cape Town International Convention Centre Operating Company Ltd (OPCO). OPCO is in the process of being deregistered.

Consolidated financial statements have not been prepared as OPCO is dormant and is not considered material.

## COMPANY SECRETARY'S CERTIFICATE

for the year ended 30 June 2017

In terms of Section 88(2)(e) of the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (the Act), I certify that the Company has lodged with the Companies and Intellectual Property Commission, all returns and notices as required by the Act in respect of the financial year ended 30 June 2017, and that all such returns and notices are true, correct and up to date.



**SL Hallett-Hardenberg**

Company Secretary

24 August 2017

## REPORT OF THE AUDIT AND RISK COMMITTEE

### for the year ended 30 June 2017

The Audit and Risk committee (the committee) submits its report in respect of the financial year ended 30 June 2017 as required by section 94 of the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act).

#### Audit Committee mandate

The committee is governed by formal terms of reference, which have been approved by the board and which are regularly reviewed. It fulfils its responsibilities in terms of the Companies Act, the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), and its terms of reference. The committee has an independent role with accountability to both the Board and the shareholders. It does not assume the functions of management, which remain the responsibility of the Executive Directors, officers and other members of management. The committee acts in an advisory and oversight capacity; it does not relieve management of its responsibilities but makes objective and independent recommendations.

#### Composition of the committee

The committee currently comprises four independent Non-executive Directors with appropriate qualifications and experience, nominated by the Board and appointed by the Council of the City of Cape Town.

Name of committee member	Qualifications
BJ Lodewyk (Chairperson)	B.Com (Acc); B.Compt (Hons); CA(SA)
SW Fourie	B.Com (Econ); MBA
EI Hamman	B.Com (Acc); PGDA; CA(SA)
AA Mahmood	B.Compt; MBA

#### Attendance at meetings

The committee meets at least four times a year and its meetings are attended by the Chief Executive Officer, Chief Financial Officer, other Executive Managers of the Company and representatives of the internal and external auditors. A quorum for meetings is 50% of the members present. The committee met five times during the period under review. Refer to page 118 for the attendance at meetings of the committee.

#### Key responsibilities of the committee

The legal responsibilities of the committee are set forth in the Companies Act and the MFMA.

##### The committee:

- Exercises oversight of the internal financial controls of the Company;
- Makes submissions to the Board of Directors, and advises the Board, the Accounting Officer and the management of the Company on matters relating to internal financial control and internal audit; risk management; accounting policies; the adequacy, reliability and accuracy of financial

reporting and information; performance management and evaluation; effective governance, compliance with the MFMA and other applicable legislation and any other matters referred to it by the Board;

- Ensures that the combined assurance received is appropriate to address all the significant risks facing the Company; and monitors the relationship between the external assurance providers and the company;
- Oversees and reviews the expertise, resources and experience of the Company's finance function;
- Oversees the internal audit function, which is outsourced and which reports directly to the Audit Committee; reviews and approves the internal audit plan, and monitors the effectiveness of the internal audit function in terms of its scope of work, progress with execution of the internal audit plan and independence;
- Expresses a view on the effectiveness of the internal control environment by monitoring internal controls for effectiveness;
- Oversees the external audit process and approves the terms of engagement and remuneration of the external auditors and reviews the effectiveness of the external audit process. Any significant issues arising from the audit are brought to the committee's attention;
- Assists the Board in ensuring that the Company has implemented an effective policy and plan for risk management, which will enhance the Company's ability to achieve its strategic objectives;
- Forms an integral part of the risk management process and specifically oversees financial reporting risks, internal financial controls, fraud risk in relation to financial reporting, and information technology risks as they relate to financial reporting;
- Oversees the development and annual review of the Company's risk management action plan and ensures that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- Monitors implementation of the risk management action plan and ensures that risk management assessments are performed on a continuous basis and reports to the Board in this regard;
- Makes recommendations to the Board concerning levels of tolerance and risk appetite;
- Performs such additional oversight functions as may be determined by the Board from time to time.

#### Discharge of responsibilities

The committee has a detailed work plan, which is formally adopted to support its effective functioning during the year. The committee is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its terms of reference and that it has complied with all its legal, regulatory and other requirements.

### Internal control

The committee has, during the period under review:

- Satisfied itself that the Chief Financial Officer has the appropriate expertise and experience to act in this capacity;
- Reviewed the expertise, resources and adequacy of the Company's finance function and found it to be adequate;
- Reviewed the quarterly and annual financial results and performance information and reporting to ensure proper and complete disclosure of timely, reliable and consistent information;
- Evaluated on an ongoing basis the appropriateness, adequacy and efficiency of accounting policies and procedures, compliance with Standards of Generally Recognised Accounting Practice (GRAP) and overall accounting standards as well as any changes thereto;
- Discussed and resolved any significant or unusual accounting issues;
- Reviewed and monitored the effectiveness, efficiency and the management as well as reporting of tax related matters;
- Reviewed the effectiveness of the Company's system of internal financial controls, including receiving assurance from management, internal audit and external audit;
- Reviewed relevant company procedures for the prevention and detection of fraud;
- Reviewed and made recommendations to the relevant company policies;
- Reviewed the significant issues raised by the internal and external auditors;
- Had oversight of IT governance;
- Exercised oversight of the financial aspects of capital projects, including the CTICC East expansion.

The committee has extensively reviewed quarterly financial and performance reporting together with findings from the Auditor-General and internal audit. These findings have been discussed with management. Based on the processes and assurances obtained, the committee believes that the significant internal financial controls are generally effective and that accounting practices are appropriate.

### Risk management

The committee has, during the period under review:

- Exercised oversight in respect of the enterprise risk management function, which remains management's responsibility;
- Exercised oversight of a process, facilitated by the internal auditors, in terms of which management has assessed the effectiveness of the Company's system of internal control and risk management, including internal financial controls;

- Monitored implementation of the Company's risk management action plan and made recommendations regarding the improvement thereof and reporting thereon.

### Internal audit

The committee has, during the period under review:

- Ensured that the Company's internal audit function was independent and that it had the necessary resources and standing to enable it to discharge its duties;
- Reviewed and approved the internal audit plan in terms of its scope and coverage and monitored progress with the execution thereof;
- Monitored the effectiveness and independence of the internal audit function;
- Exercised oversight of the co-operation between the internal and external auditors and served as a link between the Board and these functions.

### External audit

The committee is satisfied that the external auditors were independent of the Company.

The committee had considered the fees to be paid to the auditors as well as their terms of engagement, and found it to be acceptable.

### Annual financial statements and conclusion

The committee has reviewed the year-end financial statements and integrated annual report and is satisfied with its integrity. The committee recommended approval thereof to the Board. The financial statements are prepared in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 and in the manner required by the MFMA. The committee has reviewed the external auditors' management letter and management's response thereto.

The Board has subsequently approved the integrated report, which will be open for discussion at the upcoming Annual General Meeting.

The committee is confident of the combined assurance approach with the continued support of the Board, shareholders and key stakeholders in the new financial year.



**BJ Lodewyk CA(SA)**

Audit and Risk Committee Chairperson

24 August 2017

## REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

for the year ended 30 June 2017

This report is presented by the Human Resources and Remuneration Committee ("the committee") and describes how the committee has discharged its duties in respect of the financial year ended 30 June 2017.

### Mandate of the committee

The committee is governed by formal terms of reference, which have been approved by the Board and which are regularly reviewed. The committee has an independent oversight and advisory role. A detailed work plan was formally adopted to ensure the effective functioning of the committee. The committee is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its terms of reference and that it has complied with all its legal, regulatory and other responsibilities.

### Composition of the committee

The committee currently comprises four independent Non-executive Directors of the Company. The Executive Directors and certain members of the company's Executive Management team also attend committee meetings. A quorum for meetings is 50% of the members present.

- BJ Lodewyk     B.Com (Acc); B.Compt (Hons); CA(SA)
- AM Boraine     BA (Hons) (UCT)
- DA Cloete     B.Com; Master of Business Leadership (MBL)
- HV Ntoi     B.Com (Hons)

### Attendance at meetings

The committee met four times during the period under review. Details of directors' attendance at meetings appear on page 118 of this report.

### Key responsibilities of the committee

The committee:

- Assists the board in ensuring that the Company remunerates its directors and executives fairly and responsibly and that the disclosure of remuneration is accurate, complete and transparent and in accordance with the laws and regulations applicable to the Company;
- Monitors the administration of remuneration at all levels in the Company;
- Oversees the establishment of a remuneration strategy, which promotes the achievement of the Company's strategic objectives and encourages individual performance;
- Evaluates the performance of the Chief Executive Officer in determining her remuneration;
- Exercises oversight of matters related to human resource management and succession planning.

### Discharge of responsibilities

During the year under review the committee:

- Exercised oversight over salary increases;
- Reviewed various company policies;
- Set, in conjunction with the CEO, her key performance indicators (KPIs) and carried out the necessary review of performance against the set KPIs;
- Had oversight of the Company's employment equity reporting;
- Exercised oversight of matters related to human resource management and succession planning.

### Remuneration strategy and policy

The Company's remuneration strategy is aimed at attracting, motivating and retaining competent and talented employees to ensure that its business remains sustainable. Remuneration levels are influenced by the scarcity of skills and work performance.

A performance-based incentive scheme is in place in respect of all levels of the Company to acknowledge the contributions of individual employees by rewarding them for exceptional performance. KPIs are identified and agreed between each staff member and his/her immediate superior and his/her performance is measured against these agreed indicators. Individuals' KPIs are linked to the Company's KPIs as a means of ensuring that the Company achieves its objectives. A reward and recognition programme has also been implemented.

Remuneration packages are benchmarked to similar positions in the meetings industry to ensure that they are fair and competitive.

### Directors' remuneration

The Company's strategy for the remuneration of Non-executive Directors is aimed at ensuring that levels of remuneration are sufficient to attract, retain and motivate suitably skilled and experienced Non-executive Directors, recognising the responsibilities borne by directors and ensuring that they are remunerated fairly and responsibly within the constraints of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and the Company's Memorandum of Incorporation.

The Company's Directors' Remuneration Policy was last approved by the shareholders at the Annual General Meeting of the Company, held on 21 October 2014. It will again be put to the shareholders for approval at the Annual General Meeting of the Company to be held on 24 October 2017.

Please refer to page 174 for details of the Directors' remuneration for the period under review.



**DA Cloete**

Human Resources and Remuneration Committee Chairperson  
24 August 2017

## REPORT OF THE NOMINATIONS COMMITTEE

for the year ended 30 June 2017

This report is presented by the Nominations Committee and describes how the committee has discharged its duties in respect of the financial year ended 30 June 2017.

### Role of the committee

The committee has an oversight role and makes recommendations to the Board regarding the Directors of the Company to ensure:

- That the Board has the appropriate composition to enable it to execute its duties effectively;
- That Directors are appointed through a formal and transparent process;
- That the respective Board committees have the appropriate skill sets;
- That induction, ongoing training and development and evaluation of Directors takes place;
- That an appropriate succession plan is in place in respect of the Chief Executive Officer of the Company.

### Composition of the committee

The committee currently comprises two Non-executive Directors, appointed by the shareholders, as well as the Chairperson of the Board who also chairs this committee. There is currently a vacancy on the committee. A quorum for meetings is 50% of the members present.

### Attendance at meetings

The committee must, in terms of its terms of reference, meet at least twice a year and more often if required. It met three times during the past financial year. Please refer to page 118 for the attendance at meetings of the committee.

### Discharge of responsibilities

The committee has a detailed work plan, which has been formally adopted to support its effective functioning during the year.

The committee is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its terms of reference.



**AM Boraine**  
Nominations Committee Chairperson  
24 August 2017

## REPORT OF THE SOCIAL AND ETHICS COMMITTEE

### for the year ended 30 June 2017

This report is presented by the committee to describe how it has discharged its statutory duties in terms of the Companies Act 71 of South Africa, 2008 (Act No. 71 of 2008) (Companies Act) in respect of the financial year ended 30 June 2017.

#### Ethics and corporate social responsibility

The Board of Directors subscribes to the highest standards of ethics and corporate social responsibility and assesses the Company's performance against various mandatory and voluntary standards. The Board assumes the ultimate responsibility for the Company's ethics performance, which is delegated to the Executive Management, but it does not relieve management of its duties and responsibilities in this regard. The Chief Executive Officer is the visible link between the Board's corporate ethics expectations and the Company's ethics management.

#### Mandate of the committee

The committee derives its mandate from section 72 of the Companies Act, read together with Regulation 43 (5) of the Companies Regulations, published under Government Gazette Notice R351 in Government Gazette 34239 of 26 April 2011.

The committee's role and responsibilities are set forth in its terms of reference, which have been approved by the Board and are reviewed annually. The committee is accountable to both the Board and the Company's shareholders. It has an independent role and acts in an advisory and oversight capacity.

The main objective of the committee is to assist the Board in monitoring the Company's performance, having regard to all relevant laws, standards and principles with regard to matters relating to, not only financial sustainability, but good corporate citizenship, social and economic development, the environment, client relationships, labour and employment and health and safety.

#### Composition of the committee

The committee currently comprises three Non-executive Directors and the Chief Executive Officer of the Company. A quorum for meetings is 50% of the members present.

#### Attendance at meetings

The committee must, in terms of its terms of reference, meet at least twice a year. It met three times during the past financial year. Details of meeting attendance appear on page 118 of this report.

#### Discharge of responsibilities

The committee has a detailed work plan, which has been formally adopted, to support its effective functioning during the year.

The committee has, during the period under review, monitored the Company's activities, having regard to relevant legislation and other legal requirements and codes pertaining to matters relating to social and economic development, the environment, Broad-Based Black Economic Empowerment, employment equity, health and safety, employee wellness and stakeholder relationships. It is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its terms of reference and that it has complied with its legal, regulatory and other responsibilities.

The committee is satisfied that the Company takes its governance, social and environmental responsibilities seriously. While the committee recognises that areas within its mandate are constantly evolving, it is confident that management is committed to integrating ethics into the business of the Company and that it continues to pay sufficient attention to ethics management.



#### **El Hamman CA(SA)**

Social and Ethics Committee Chairperson  
24 August 2017

# REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL OF THE CITY OF CAPE TOWN ON THE CAPE TOWN INTERNATIONAL CONVENTION CENTRE COMPANY SOC LIMITED (RF)

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Cape Town International Convention Centre Company SOC Limited (RF) (CTICC) set out on 148 – 181, which comprise the appropriation statement, the statement of financial position as at 30 June 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the CTICC at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (the Companies Act).

### Basis for opinion

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

### Emphasis of matters

#### Other matters

#### Significant uncertainties

6. With reference to note 25.1 to the financial statements, the CTICC is subject to various claims which have arisen from the expansion project brought by the principle building contractor and other professional consultants. The provisional estimate for ongoing legal proceedings is at R7.5million at the time of this report.
7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### Unaudited disclosure notes

8. In terms of section 125(2) (e) of the MFMA the municipal entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

#### Responsibilities of the accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and the Companies Act and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting officer is responsible for assessing the CTICC'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 there is an intention to liquidate the entity or to cease operations, or there is no realistic alternative but to do so.

### Auditor-general's responsibilities for the audit of the financial statements

11. 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### Report on the audit of the annual performance report

#### Introduction and scope

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
14. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance areas presented in the annual performance report of the entity for the year ended 30 June 2017:

Key performance indicator (KPI)	Pages in annual performance report
KPI 1: Events	73
KPI 3: Customer centricity and service excellence	73
KPI 4: Supply chain procurement from BBBEE supplier measured in terms of BBBEE Act	73
KPI 8: Budgets – Operating Profit	73
KPI 8: Budgets – Capital Expenditure	73
KPI 10: Financial Ratios	73

16. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following key performance indicators:
  - KPI 1: Events
  - KPI 3: Customer centricity and service excellence
  - KPI 4: Supply chain procurement from BBBEE supplier measured in terms of BBBEE Act
  - KPI 8: Budgets – Operating Profit
  - KPI 8: Budgets – Capital Expenditure
  - KPI 10: Financial Ratios

## Report on the audit of compliance with legislation

### Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. I did not identify any instances of material non-compliance in respect of the compliance criteria for the applicable subject matters.

### Other information

20. The CTICC's accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the director's report, the audit committee's report and the company secretary's certificate as required by the Companies Act. The other information does not include the financial statements, the auditor's report and those selected key performance indicators presented in the annual performance report that have been specifically reported in the auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Cape Town  
18 September 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. 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 key performance indicators and on the entity's compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's 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 related to events or conditions that may cast significant doubt on the CTICC's ability 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 the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause an entity to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the accounting officer 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.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable, related safeguards.

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	NOTES	2017 R	2016 R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>965 327 037</b>	622 079 336
Property, plant and equipment	2	<b>961 750 268</b>	619 425 592
Investment in subsidiary	3	<b>100</b>	100
Deferred taxation	4	<b>3 576 669</b>	2 653 644
<b>Current assets</b>		<b>268 622 943</b>	437 925 550
Inventories	5	<b>1 198 165</b>	1 259 812
Receivables and other receivables from exchange transactions	6	<b>12 234 789</b>	18 070 712
Receiver of revenue	15.2	<b>3 002 222</b>	–
Cash and cash equivalents	15.3	<b>252 187 767</b>	418 595 026
<b>Total assets</b>		<b>1 233 949 980</b>	1 060 004 886
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>1 152 903 559</b>	916 427 146
Contribution from owners	7	<b>1 277 427 701</b>	1 084 427 701
Accumulated deficit		<b>(124 524 142)</b>	(168 000 555)
<b>Current liabilities</b>		<b>81 046 421</b>	143 577 740
Client deposits	8	<b>19 687 299</b>	46 620 494
Payables and other payables from exchange transactions	9	<b>56 399 313</b>	91 973 122
Provisions	10	<b>4 959 809</b>	3 537 828
Receiver of Revenue	15.2	<b>–</b>	1 446 296
<b>Total net assets and liabilities</b>		<b>1 233 949 980</b>	1 060 004 886

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2017

	NOTES	2017 R	2016 R
Revenue from exchange transactions	12	210 552 246	202 459 444
Cost of sales		(23 790 905)	(25 682 611)
<b>Gross profit</b>		<b>186 761 341</b>	176 776 833
Other operating income from exchange transactions		33 920 360	41 894 633
Finance income	13	28 824 690	35 271 842
Other		5 095 670	6 622 791
Operating expenses		(163 219 164)	(151 369 407)
<b>Operating profit</b>	11	<b>57 462 537</b>	67 302 059
Finance costs	13	(3 016)	(42 327)
<b>Profit before taxation</b>		<b>57 459 521</b>	67 259 732
Taxation	14	(13 983 108)	(20 006 799)
<b>Net profit for the year</b>		<b>43 476 413</b>	47 252 933

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 30 June 2017

	CONTRIBUTIONS FROM OWNERS R	ACCUMULATED DEFICIT R	TOTAL R
Balance at 1 July 2015	967 427 701	(215 253 488)	752 174 213
Profit for the year	–	47 252 933	47 252 933
Share issue	117 000 000	–	117 000 000
Balance at 30 June 2016	1 084 427 701	(168 000 555)	916 427 146
Profit for the year	–	43 476 413	43 476 413
Share issue	193 000 000	–	193 000 000
<b>Balance at 30 June 2017</b>	<b>1 277 427 701</b>	<b>(124 524 142)</b>	<b>1 152 903 559</b>

## CASH FLOW STATEMENT

for the year ended 30 June 2017

	NOTES	2017 R	2016 R
<b>Cash flow from operating activities</b>		<b>46 029 598</b>	127 269 799
Cash receipts from customers (venue rental, sales of goods and other services)		<b>194 518 338</b>	227 555 789
Cash paid to suppliers and employees		<b>(157 955 761)</b>	(113 247 450)
Suppliers		<b>(106 035 408)</b>	(69 572 662)
Employee costs		<b>(51 920 353)</b>	(43 674 788)
Cash generated from operations	15.1	<b>36 562 577</b>	114 308 339
Finance costs	13	<b>(3 016)</b>	(42 327)
Finance income	13	<b>28 824 690</b>	35 271 842
Taxation paid	15.2	<b>(19 354 653)</b>	(22 268 055)
<b>Cash flow from investing activities</b>		<b>(405 436 857)</b>	(380 306 315)
Acquisition of property, plant and equipment	2	<b>(405 436 857)</b>	(380 306 315)
<b>Cash flow from financing activities</b>		<b>193 000 000</b>	117 000 000
Proceeds from share issue	7	<b>193 000 000</b>	117 000 000
(Decrease) in cash and cash equivalents		<b>(166 407 259)</b>	(136 036 516)
Cash and cash equivalents at beginning of the year	15.3	<b>418 595 026</b>	554 631 542
<b>Cash and cash equivalents at end of the year</b>	<b>15.3</b>	<b>252 187 767</b>	418 595 026

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2017

	NOTES	ACTUAL	APPROVED BUDGET	FINAL BUDGET	FAVOURABLE/ UNFAVOURABLE VARIANCE	VARIANCE
		2017 R	2017 R	2017 R	2017 R	%
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	20.2					
<b>Revenue and other income</b>	(i)	215 647 916	217 851 350	210 697 236	4 950 680	2
<b>Less: Direct costs</b>		41 032 042	48 471 952	43 530 801	2 498 759	6
Cost of sales		23 249 359	29 521 768	28 237 079	4 987 720	18
Direct personnel	(ii)	12 398 194	14 218 428	10 134 745	(2 263 449)	(22)
Parking costs		3 334 774	3 823 486	3 811 606	476 832	13
Event-related marketing costs		950 089	–	560 744	(389 345)	(69)
Equipment hire		1 099 626	908 270	786 627	(312 999)	(40)
<b>Add: Finance income</b>	(iii)	28 824 690	15 084 150	23 620 729	5 203 961	22
<b>Less: Indirect expenditure</b>	(iv)	145 981 043	202 502 419	178 699 154	32 718 111	18
Personnel costs		58 034 761	74 322 753	72 210 311	14 175 550	20
Operations general		1 132 725	2 104 361	1 772 685	639 960	36
Utility services		19 041 998	30 994 317	22 152 330	3 110 332	14
Maintenance		8 401 440	9 137 272	8 724 247	322 807	4
Building costs		14 843 790	21 300 338	17 232 759	2 388 969	14
Office costs		3 717 582	5 527 020	4 618 200	900 618	20
Computer expenses		3 052 343	4 052 148	3 639 203	586 860	16
Advisors		3 350 897	5 224 167	3 550 049	199 152	6
Travel and entertainment		882 771	2 255 922	2 007 903	1 125 132	56
Marketing and corporate communications		5 641 509	8 538 908	7 570 891	1 929 382	25
Catering materials		2 079 613	3 277 260	2 899 834	820 221	28
Bad debts		186 851	280 900	280 900	94 049	33
Depreciation and loss on scrapping of assets		25 611 747	29 356 305	31 089 638	5 477 891	18
Finance costs		3 016	6 130 748	950 204	947 188	100
<b>Profit before taxation</b>	(v)	57 459 521	(18 038 871)	12 088 010	45 371 511	375

### Capital expenditure for the year ended 30 June 2017

CATEGORY	NOTES	ACTUAL	APPROVED BUDGET	FINAL BUDGET	FAVOURABLE/ UNFAVOURABLE VARIANCE	VARIANCE
		R	R	R	R	%
Building enhancements		14 520 183	16 500 000	16 500 000	1 979 817	12
IT and electronic infrastructure		12 853 241	14 534 833	14 534 833	1 681 592	12
Kitchen enhancements		687 138	1 040 730	1 040 730	353 592	34
Catering furniture and equipment		3 165 080	2 733 050	3 733 050	567 970	15
Other capex items		336 710 658	238 171 026	376 139 192	39 428 534	10
<b>Total capital expenditure</b>	20.3	367 936 300	272 979 639	411 947 805	44 011 505	11

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2017

## 1 Accounting policies

### 1.1 Basis of preparation

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including interpretation guidelines and directives issued by the Accounting Standards Board in accordance with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The cash flow statement has been prepared in accordance with the direct method. The amount and nature of any restrictions on the cash balance are disclosed.

#### GRAP Standards issued but not yet effective

The following GRAP Standards have been issued but are not yet effective and have not been early adopted by the entity:

GRAP 20 Related Party Disclosures	This standard ensures that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.
GRAP 32 Service Concession Arrangements Grantor	This standard prescribes the accounting for service concession arrangements by the grantor, a public sector entity.
GRAP 108 Statutory Receivables	This standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.
GRAP 109 Accounting by Principals and Agents	This standard outlines the principals to be used to assess whether an entity is party to a principal-agent arrangement.
GRAP 110 Living and Non-living Resources	This standard prescribes the recognition, measurement, presentation and disclosure requirements for living resources and disclosure requirements for non-living resources.

#### Standards that have been assessed to have a low impact on the entity

GRAP 18	Segment Reporting (Not required by the Accounting Standards Board).
GRAP 103	Heritage Assets (The entity does not hold any heritage assets).
GRAP 105	The entity does not expect any transfers of functions between entities under common control.
GRAP 106	The entity does not expect any transfers of functions between entities under common control.
GRAP 107	The entity does not plan to have any mergers.
GRAP 32	Accounting for service concession arrangements by the grantor, a public sector entity. (The entity does not service concession arrangements).
GRAP 108	The recognition, measurement, presentation and disclosure of statutory receivables. (The entity does not hold any statutory receivables).

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

## 1 Accounting policies (continued)

### 1.1 Basis of preparation (continued)

The significant accounting policies are set out below, and are consistent with those applied in the previous financial year.

In the process of applying the accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

#### Operating lease commitments – Entity as lessor

The entity has entered into commercial property leases on its property portfolio. The entity has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

Rental is paid based on turnover rental contracts and is recognised as accrued.

#### Impairment of trade receivables from exchange transactions

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

#### Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

#### Provisions and contingent liabilities

Management's judgement is required when recognising and measuring provisions, and when measuring contingent liabilities as set out in note 9. Provisions are discounted where the effect of discounting is material using actuarial valuations.

### 1.2 Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

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.

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

	2017 %	2016 %
Plant and equipment	<b>8.33 – 33.33</b>	8.33 – 50.00
Motor vehicles	<b>5.26 – 25.00</b>	14.28 – 25.00
Furniture and fittings	<b>6.67 – 50.00</b>	6.67 – 50.00
Kitchen and catering	<b>5.26 – 50.00</b>	6.67 – 50.00
Office equipment	<b>6.25 – 50.00</b>	10.00 – 50.00
Computer equipment	<b>11.11 – 50.00</b>	16.67 – 50.00
Escalators and elevators	<b>5.56 – 16.67</b>	5.56 – 10.00
Carpets/laminated flooring	<b>16.67 – 25.00</b>	12.50 – 16.67
Curtains/blinds	<b>11.11 – 20.00</b>	11.11 – 20.00
Signage	<b>8.33 – 33.33</b>	8.33 – 33.33
Audiovisual	<b>7.69 – 16.67</b>	7.69 – 16.67
Fences and gates	<b>6.67 – 16.67</b>	6.67 – 20.00
Cold rooms	<b>5.88 – 16.67</b>	5.88 – 16.67
Air-conditioning system	<b>5.56 – 16.67</b>	5.56 – 50.00
Sprinkler system	<b>16.67 – 20.00</b>	16.67 – 20.00
Auditorium seating	<b>8.33 – 16.67</b>	8.33 – 16.67
Building management system	<b>5.88 – 16.67</b>	5.88 – 16.67
Building	<b>2.5 – 50.00</b>	2.5 – 50.00

## 1 Accounting policies (continued)

### 1.2 Property, plant and equipment (continued)

The assets' estimated useful lives and residual values are reviewed on an annual basis.

Repairs and maintenance are generally charged to expenses during the financial period in which they are incurred (refer to note 11). However, major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in operating profit.

Where the carrying value of an asset exceeds the calculated recoverable amount, the asset is immediately written down.

### 1.3 Impairment of assets

#### 1.3.1 Impairment of cash-generating assets

##### Definitions

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash flows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in the arm's length transaction between knowledgeable, willing parties, less costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- a) The period of time over which an asset is expected to be used by the entity; or
- b) The number of production or similar units expected to be obtained from the assets by the entity.

Criteria developed by the entity to distinguish cash-generating assets from non-cash-generating assets are as follows:

##### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

## 1 Accounting policies (continued)

### 1.3 Impairment of assets (continued)

#### 1.3.1 Impairment of cash-generating assets (continued)

##### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

##### Composition of estimates of future cash flows

Estimates of future cash flows include:

- Projections of cash inflows from the continuing use of the asset;
- Projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset;
- Net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flow exclude:

- Cash inflows or outflows from financing activities;
- Income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

##### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

##### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that it is a requirement in the standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**1 Accounting policies (continued)****1.3 Impairment of assets (continued)****1.3.2 Impairment of non-cash-generating assets**

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

**Identification**

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

**Value in use**

Value in use of an asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of an asset is determined using the following approaches:

**Depreciated replacement cost approach**

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are necessary for the goods or services the asset provides. Overcapacity assets are assets that have greater capacity than is necessary to meet the demand for the goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that it is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge of the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating assets revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**Reversal of an impairment loss**

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

**1 Accounting policies (continued)****1.3 Impairment of assets (continued)****1.3.2 Impairment of non-cash-generating assets (continued)****Redesignation**

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset may only occur when there is clear evidence that such a redesignation is appropriate.

**1.4 Leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease.

**1.5 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the weighted average method and includes transport and handling costs. The weighted average cost is determined using a weighted average cost for the month based on the most recent month's purchases. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

**1.6 Current tax**

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss.

**1.6.1 Current taxation**

Current taxation comprises tax payable calculated on the basis of the estimated taxable income for the year, using the tax rates enacted at the reporting date, and any adjustment of tax payable for previous years.

**1.6.2 Deferred taxation**

Deferred taxation is provided on all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their tax base except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable surplus/deficit. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised in net assets, in which case it is recognised in equity, or a business combination that is an acquisition, in which case it is recognised as an adjustment to goodwill. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited to equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the tax benefit will be realised.

**1.7 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

When the effect of the time value is material, the entity determines the level of provision by discounting the expected cashflows as pre-tax rates referencing the current rates specific to the liability.

**1.8 Revenue recognition**

Revenue comprises the invoiced value of sales of goods and services net of value-added tax, rebates and all discounts. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer. Revenue arising from the rendering of services is recognised when the event takes place. Revenue is measured at the fair value of the consideration receivable.

**1 Accounting policies (continued)****1.8 Revenue recognition (continued)****1.8.1 Revenue from exchange transactions**

Revenue from exchange transactions relate to income earned from venue rental, sale of goods and other services.

Commission income is recognised for the rendering of services as an agent in accordance with the contract of hire agreements.

**1.8.2 Finance income**

Finance income comprises interest income. Interest income is recognised in profit or loss on a time proportion basis, taking account of the principal outstanding and the effective interest rate over the period maturity, when it is probable that such income will accrue to the entity.

**1.9 Financial instruments**

The Company classifies financial assets into the following categories: at fair value through profit or loss, amortised cost and cost. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition. The Company recognises financial instruments in the statement of financial position when it becomes a party to the contractual party provisions of the instruments.

**Financial assets at fair value**

Financial assets at fair value are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

**Financial instruments at amortised cost**

Financial instruments at amortised cost are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. They are included in current assets for maturities less than 12 months after the reporting date. These are classified as non-current assets.

**Initial recognition**

The Company recognises financial instruments in the statement of financial position when it becomes a party to the contractual party provisions of the instruments.

The Company recognises financial assets as trade date accounting.

**Impairment and uncollectibility of financial assets**

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

**Derecognition****Financial assets**

The entity derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived;
- The entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- The entity, 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, the entity:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

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.

## 1 Accounting policies (continued)

### 1.9 Financial instruments (continued)

#### 1.9.1 Financial assets at amortised cost

##### Receivables from exchange transactions

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

##### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### 1.9.2 Financial liabilities at amortised cost

##### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### Payables from exchange transactions

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### Client deposits

Client deposits are received in advance for upcoming events and are derecognised when the event occurs.

#### 1.9.3 Financial risk factors

The Company'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 Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(i) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates.

(ii) Credit risk

Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers, who are both internationally and nationally dispersed.

The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any one financial institution, and cash transactions are limited to creditworthy institutions.

(iii) 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.

(iv) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**1 Accounting policies (continued)****1.9 Financial instruments (continued)****1.9.4 Fair value estimation**

In assessing the fair value of financial instruments, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

**1.10 Translation of foreign currencies****Transactions**

Foreign currency transactions are recorded on initial recognition in Rands, by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the transaction.

At each reporting date:

- (a) foreign currency monetary items are reported using the closing rate; and
- (b) non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they are initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

**1.11 Short-term employee benefits**

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amounts which the entity has a present obligation to pay as a result of employees' services provided at the reporting date. The provisions have been calculated at discounted amounts based on current salary levels at the reporting date.

**1.12 Irregular expenditure**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Municipal Systems Act, 2000 (Act No. 32 of 2000), and the Public Office Bearers Act, 1998 (Act No. 20 of 1998), or is in contravention of the Municipal Entity Supply Chain Management Policy. Where irregular expenditure is not condoned, it is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

**1.13 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

**1.14 Comparative information**

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements. Budgeted amounts have been included in the annual financial statements for the current financial year only.

**1.15 Critical accounting estimates and judgements**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed on the next page.

## **1 Accounting policies (continued)**

### **1.15 Critical accounting estimates and judgements (continued)**

#### **1.15.1 Asset useful lives and residual values**

Plant and equipment is depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and vary depending on a number of factors. In reassessing the assets' useful lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

#### **1.16 Investment**

Investments in subsidiary companies are stated at cost, less impairment losses.

#### **1.17 Finance costs**

Finance costs are recognised as an expense in the period in which they are incurred.

#### **1.18 Budget information**

The annual budget figures have been prepared in accordance with the GRAP standards on an accrual basis, and are consistent with the accounting policies adopted by the Board for the preparation of these financial statements.

The approved budget covers the fiscal period from 1 July 2016 – 30 June 2017. The amounts are scheduled as a separate additional financial statement, called the statement of comparison of budget and actual amounts.

Explanatory comments on material differences are provided in the notes to the annual financial statements.

These figures are those approved by the Board as part of the annual business plan process.

Comparative information is not required for the statement of comparison of budget and actual amounts.

#### **1.19 Related parties**

The Company regards a related party as a person or a Company with the ability to control the Company either individually or jointly, or the ability to exercise significant influence over the Company, or vice versa.

Management is regarded as a related party and includes board members.

#### **1.20 Value-added tax (VAT)**

The Company accounts for VAT on an invoice basis.

#### **1.21 Post-balance sheet events**

Events after the 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:

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

**2 Property, plant and equipment**

	2017			2016		
	COST R	ACCUMULATED DEPRECIATION AND IMPAIRMENT R	CARRYING VALUE R	COST R	ACCUMULATED DEPRECIATION AND IMPAIRMENT R	CARRYING VALUE R
Escalators	3 985 310	2 105 992	1 879 318	3 564 611	1 797 126	1 767 485
Elevators	8 588 446	7 324 185	1 264 261	8 438 473	6 759 946	1 678 527
Carpets/laminated flooring	9 242 705	2 826 497	6 416 208	8 152 043	3 797 154	4 354 889
Curtains/blinds	62 600	12 890	49 710	1 332 791	1 322 524	10 267
Signage	3 674 242	1 541 212	2 133 030	4 550 930	2 429 573	2 121 357
Audiovisual	8 942 424	7 917 836	1 024 588	9 694 291	8 887 770	806 521
Fences and gates	953 706	666 209	287 497	1 307 262	950 954	356 308
Cold rooms	3 301 547	2 730 733	570 814	3 301 547	2 507 089	794 458
Air-conditioning system	34 974 029	26 007 949	8 966 080	34 939 307	24 082 413	10 856 894
Sprinkler system	4 746 371	4 746 371	–	4 891 993	4 881 956	10 037
Auditorium seating	1 744 982	345 227	1 399 755	339 600	191 933	147 667
Building management system	16 808 333	10 451 299	6 357 034	18 697 297	11 451 499	7 245 798
Building	479 320 246	375 579 647	103 740 609	472 159 014	366 778 762	105 380 252
Plant and equipment	7 316 864	4 491 564	2 825 300	6 688 359	4 018 117	2 670 242
Motor vehicles	1 688 179	1 329 564	358 615	1 623 183	1 364 773	258 410
Furniture and fittings	12 326 330	9 114 797	3 211 533	12 366 206	9 690 769	2 675 437
Kitchen and catering	13 614 977	8 842 573	4 772 404	14 917 113	9 019 988	5 897 125
Office equipment	1 598 399	549 059	1 049 340	3 171 809	2 683 329	488 480
Computer equipment	34 137 818	15 182 838	18 954 980	26 557 589	14 801 885	11 755 703
Assets in progress*	812 580 536	16 091 344	796 489 192	476 241 079	16 091 344	460 149 735
	<b>1 459 608 044</b>	<b>497 857 776</b>	<b>961 750 268</b>	<b>1 112 934 496</b>	<b>493 508 904</b>	<b>619 425 592</b>

\* Assets in progress relate to the capitalised costs incurred on the expansion of the convention centre

## 2 Property, plant and equipment (continued)

The carrying amounts of property, plant and equipment can be reconciled as follows:

2017	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R	R	R	R	R	R
Escalators	1 767 485	–	420 699	–	308 866	1 879 318
Elevators	1 678 527	–	149 973	–	564 239	1 264 261
Carpets/laminated flooring	4 354 889	–	3 742 886	301 603	1 379 964	6 416 208
Curtains/blinds	10 267	–	47 000	2 267	5 290	49 710
Signage	2 121 357	–	586 948	12 213	563 062	2 133 030
Audiovisual	806 521	–	556 696	50 000	288 629	1 024 588
Fences and gates	356 308	–	38 647	426	107 032	287 497
Cold rooms	794 458	–	–	–	223 644	570 814
Air-conditioning system	10 856 894	–	278 388	–	2 169 202	8 966 080
Sprinkler system	10 037	–	–	–	10 037	–
Auditorium seating	147 667	–	1 405 382	–	153 294	1 399 755
Building management system	7 245 798	–	852 937	44 175	1 697 526	6 357 034
Building	105 380 252	(264 584)	7 512 707	–	8 887 766	103 740 609
Plant and equipment	2 670 242	250 312	791 436	837	885 853	2 825 300
Motor vehicles	258 410	–	64 996	–	(35 209)	358 615
Furniture and fittings	2 675 437	4 739	1 443 212	95 975	815 880	3 211 533
Kitchen and catering	5 897 125	3 088	1 912 141	534 725	2 505 225	4 772 404
Office equipment	488 480	6 445	986 367	78 524	353 428	1 049 340
Computer equipment	11 755 703	–	10 806 427	66 741	3 540 410	18 954 980
Assets in progress*	460 149 735	–	336 339 457	–	–	796 489 192
	<b>619 425 592</b>	<b>–</b>	<b>367 936 300</b>	<b>1 187 486</b>	<b>24 424 138</b>	<b>961 750 268</b>

\* Assets in progress relate to the capitalised costs incurred on the expansion of the convention centre

**2 Property, plant and equipment (continued)**

The carrying amounts of property, plant and equipment can be reconciled as follows: (continued)

2016	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R	R	R	R	R	R
Escalators	2 060 445	–	–	–	292 960	1 767 485
Elevators	2 234 434	–	–	–	555 907	1 678 527
Carpets/laminated flooring	4 913 713	–	731 559	–	1 290 383	4 354 889
Curtains/blinds	133 255	76	–	–	123 064	10 267
Signage	1 248 832	–	1 151 423	–	278 898	2 121 357
Audiovisual	948 245	61 828	210 944	–	414 496	806 521
Fences and gates	255 341	–	186 101	–	85 134	356 308
Cold rooms	953 164	–	13 747	–	172 453	794 458
Air-conditioning system	12 021 499	–	791 124	–	1 955 729	10 856 894
Sprinkler system	32 357	–	–	–	22 320	10 037
Auditorium seating	204 267	–	–	–	56 600	147 667
Building management system	8 291 728	(61 828)	831 729	–	1 815 831	7 245 798
Building	100 902 058	(1 673)	11 165 347	–	6 685 480	105 380 252
Plant and equipment	2 454 984	–	973 839	–	758 581	2 670 242
Motor vehicles	387 615	–	–	–	129 205	258 410
Furniture and fittings	2 825 211	(29 703)	1 016 697	90 736	1 046 032	2 675 437
Kitchen and catering	4 695 117	58 754	2 351 465	72 947	1 135 264	5 897 125
Office equipment	847 227	(31 369)	260 912	–	588 290	488 480
Computer equipment	9 767 759	–	9 413 446	–	7 425 502	11 755 703
Assets in progress*	108 937 838	3 915	351 207 982	–	–	460 149 735
	<b>264 115 089</b>	<b>–</b>	<b>380 306 315</b>	<b>163 683</b>	<b>24 832 129</b>	<b>619 425 592</b>

\* Assets in progress relate to the capitalised costs incurred on the expansion of the convention centre.

**2 Property, plant and equipment (continued)****Cost (fully depreciated property, plant and equipment)**

	2017	2016
	R	R
Audiovisual	986 809	1 258 235
Building	8 290 240	2 365 214
Building management system	4 566 763	2 527 401
Curtains/blinds	–	1 304 890
Fences and gates	–	347 177
Signage	58 965	1 411 635
Sprinkler system	4 746 371	4 821 657
Air-conditioning system	140 168	–
Motor vehicles	–	1 106 364
Computer equipment	294 901	7 350 282
Office equipment	–	2 109 179
Furniture and fittings	55 917	6 917 497
Artwork	1 321 095	1 321 095
Plant and equipment	–	166 507
Kitchen and catering	–	2 538 678
	<b>20 461 229</b>	<b>35 545 810</b>

**Impairment consideration**

In line with our accounting policy for property, plant and equipment and GRAP for the impairment of assets, non-current assets were assessed during the period for possible indicators of impairment.

During the review, management has confirmed the following:

**Cash-generating unit comprises:**

	2017	2016
	R	R
Escalators	1 879 318	1 767 485
Elevators	1 264 261	1 678 527
Cold rooms	570 814	794 458
Air-conditioning system	8 966 080	10 856 894
Auditorium seating	1 399 755	147 667
Building	103 740 609	105 380 252
Kitchen and catering	4 772 404	5 897 125
<b>Total carrying value</b>	<b>122 593 241</b>	<b>126 522 408</b>

## 2 Property, plant and equipment (continued)

### Impairment consideration (continued)

- (a) The main purpose of establishing the centre was to generate spin-off returns for the region.
- (b) Due to the restrictions imposed on the use of the facility and site, no active market exists within which the value of the centre can be determined through an arm's length transaction between a willing buyer and a willing seller, and as such the value in use of the centre has been used to determine whether the building's carrying value may not be recoverable.
- (c) Since inception, all initial targets for the region (spin-offs) and the operation of the convention centre have consistently been exceeded and are forecast to maintain this level of performance for the foreseeable future.
- (d) Despite this, the value in use of the centre can only be attributed to the present value of the future cash flows generated within the centre itself, and excludes any value which it generates for other entities or business sectors.
- (e) No value could be attached to the centre at the end of its useful life due to its disposal being highly unlikely with no reliable basis for measuring the disposal value.
- (f) A discount rate of 14.2% (2016: 13.9%) was used, which was calculated using the risk-free rate of the R186 bond of 10.5% adjusted by 3.7% for uncertainty regarding timing and extent of certain of the cash flows.

Based on the calculation of value in use, the fair value of R134 million was determined. The current carrying value of R123 million was established for the building at date of calculation. This has resulted in a nil reversal of impairment.

## 3 Investment in subsidiary

The Company has an investment in the following company:

	2017 R	2016 R
<b>Unlisted</b>		
<b>Cape Town International Convention Centre Operating Company (Pty) Ltd (OPCO)</b>	<b>100</b>	<b>100</b>

The agency agreement between Cape Town International Convention Centre Company SOC Ltd (RF) (Convenco) and Cape Town International Convention Centre Operating Company (Pty) Ltd (OPCO) was terminated on 30 June 2010. OPCO does not reflect any trading activities in its financial results and will be deregistered. The company is dormant and has a net asset value of R100.

## 4 Deferred taxation

Deferred income taxes are calculated on all temporary differences under the balance sheet method using a tax rate of 28%.

	2017 R	2016 R
The deferred tax balance is made up as follows:		
Asset at beginning of the year	2 653 644	4 668
Temporary differences	923 025	2 648 976
<b>Asset at end of the year</b>	<b>3 576 669</b>	<b>2 653 644</b>
The balance comprises the following temporary differences:		
Property, plant and equipment	3 576 669	2 653 644
<b>Asset at end of the year</b>	<b>3 576 669</b>	<b>2 653 644</b>

**5 Inventories**

	2017	2016
	R	R
Food	311 756	427 230
Beverage	589 971	618 492
Consumables	228 679	172 741
Chemicals	67 760	41 349
<b>Total</b>	<b>1 198 165</b>	<b>1 259 812</b>

**6 Receivables and other receivables from exchange transactions**

	2017	2016
	R	R
Trade receivables	2 166 251	5 071 893
Less: Provision for impairment of trade receivables	(190 094)	(4 052)
Receivables from exchange transactions – net	1 976 157	5 067 841
Prepayments	1 721 611	932 047
Receiver of Revenue: VAT	8 498 604	12 060 414
Other receivables	38 417	10 410
<b>Total</b>	<b>12 234 789</b>	<b>18 070 712</b>

	2017	2016
	R	R
Trade receivables ageing		
Current (0 – 30 days)	1 553 358	4 674 063
31 – 60 days	117 116	(50 080)
61 – 90 days	286 776	347 302
91 – 120 days	42 840	26 857
+ 120 days	166 161	73 751
<b>Total</b>	<b>2 166 251</b>	<b>5 071 893</b>
Provision for impairment	(190 094)	(4 052)
Trade receivables due	1 976 157	5 067 841

The carrying amount of trade and other receivables approximates their fair value due to their short-term maturity.

Trade receivables in 120 days are not impaired as there is no history of default from these clients.

The carrying value of these trade receivables is denominated in the following currency: South African Rand.

	2017	2016
	R	R
<b>Provision for impairment of trade receivables</b>		
Opening balance	(4 052)	(13 836)
Additional provision	(190 094)	(4 052)
Unused amounts reversed	4 052	13 836
<b>Closing balance</b>	<b>(190 094)</b>	<b>(4 052)</b>

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

## 7 Contribution from owners

### Authorised share capital

10 000 000 "A" ordinary shares of no par value

1 000 000 "B" ordinary shares of no par value

On 26 November 2013, the shareholders approved the issue of up to the maximum of 158 067 new "A" ordinary shares to the City of Cape Town and up to a maximum of 79 034 new "A" ordinary shares to the Western Cape Government. As at 30 June 2017, these shares have been fully subscribed.

	NUMBER OF SHARES 2017 R	STATED CAPITAL 2017 R	NUMBER OF SHARES 2016 R	STATED CAPITAL 2016 R
<b>Issued and fully paid ordinary shares</b>				
Opening balance	204 823	1 084 427 701	171 396	967 427 701
"A" ordinary shares	190 823	944 788 000	157 396	827 788 000
"B" ordinary shares	14 000	139 639 701	14 000	139 639 701
Movements	55 143	193 000 000	33 427	117 000 000
Share issue – "A" ordinary shares (4 December 2015)	–	–	4 285	15 000 000
Share issue – "A" ordinary shares (18 March 2016)	–	–	14 857	52 000 000
Share issue – "A" ordinary shares (29 April 2016)	–	–	10 000	35 000 000
Share issue – "A" ordinary shares (27 May 2016)	–	–	4 285	15 000 000
Share issue – "A" ordinary shares (1 July 2016)	17 143	60 000 000	–	–
Share issue – "A" ordinary shares (15 August 2016)	18 714	65 500 000	–	–
Share issue – "A" ordinary shares (30 August 2016)	7 143	25 000 000	–	–
Share issue – "A" ordinary shares (17 October 2016)	10 714	37 500 000	–	–
Share issue – "A" ordinary shares (14 December 2016)	1 429	5 000 000	–	–
Closing balance	259 966	1 277 427 701	204 823	1 084 427 701
"A" ordinary shares	245 966	1 137 788 000	190 823	944 788 000
"B" ordinary shares	14 000	139 639 701	14 000	139 639 701

## 8 Client deposits

	2017 R	2016 R
0 – 1 year	19 105 075	46 620 494
>1 year	582 223	–
<b>Total</b>	<b>19 687 299</b>	<b>46 620 494</b>

Client deposits are received in advance for upcoming events.

**9 Payables and other payables from exchange transactions**

	2017 R	2016 R
Trade payables	16 617 314	15 919 686
Accruals*	39 558 266	75 831 901
Sundry payables	223 733	221 535
	<b>56 399 313</b>	<b>91 973 122</b>

\* Included in the 2017 accruals balance is an amount relating to the expansion.

The carrying amount of trade and other payables approximates their fair value due to short-term maturity.

The carrying value of these trade payables is denominated in the following currency: South African Rand	<b>16 617 314</b>	15 919 686
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**10 Provisions**

	2017 R	2016 R
Performance bonus provision		
Opening balance	3 537 828	3 364 567
Additional provisions	4 959 809	3 537 828
Prior year provision utilised	<b>(3 537 828)</b>	<b>(3 364 567)</b>
<b>Closing balance</b>	<b>4 959 809</b>	<b>3 537 828</b>

Performance bonuses accrue to staff on an annual basis based on the achievement of predetermined performance. The provision is an estimate of the amount due to staff in the service of the Company at the reporting date. During the financial year ended 30 June 2017, an amendment to the bonus policy was approved by the Board. The amendment to the policy has no change to the methodology and calculation of the bonus. The change is in relation to timing which is now based on financial year whereas previously the provision was based on calendar year.

This has no impact on the actual amounts being paid on bonuses and only affects the provision.

**11 Operating profit**

	2017 R	2016 R
Operating profit is stated after:		
Income		
(Loss) on foreign exchange	<b>(5 553)</b>	(3 938)
Rental income		
Vexicure Proprietary Ltd t/a Westin and Redefine Properties Limited	<b>4 691 419</b>	4 522 011
Expenditure		
Auditor's remuneration – Audit fee	<b>1 173 089</b>	1 083 053
Depreciation (property, plant and equipment)	<b>24 424 138</b>	24 832 129
Repairs and maintenance on property, plant and equipment	<b>8 316 849</b>	8 504 908
Insurance recovered	<b>32 307</b>	75 268

**12 Revenue from exchange transactions**

	2017 R	2016 R
Commissions	19 641 511	17 660 648
Parking	13 421 688	12 070 558
Sales	177 489 047	172 728 238
	<b>210 552 246</b>	<b>202 459 444</b>

**13 Finance income and costs**

	2017 R	2016 R
Finance income (cash and cash equivalents)	28 824 690	35 271 842
Finance cost (finance costs – financial institution)	(3 016)	(42 327)
<b>Net finance income</b>	<b>28 821 674</b>	<b>35 229 515</b>

**14 Taxation****14.1 South African normal taxation**

	2017 R	2016 R
Current year	14 906 133	22 655 775
Deferred taxation (refer note 4)	(923 025)	(2 648 976)
<b>Taxation</b>	<b>13 983 108</b>	<b>20 006 799</b>

**14.2 Reconciliation of effective tax**

	2017 R	2016 R
Profit before taxation	57 459 520	67 259 732
<b>Tax at statutory rate (28%)</b>	<b>16 088 666</b>	<b>18 832 724</b>
Permanent differences	(2 105 558)	1 895 772
Disallowed expenditure	–	189 424
Prior year underprovision of current tax	–	–
Other adjustments	–	(911 121)
<b>Effective tax</b>	<b>13 983 108</b>	<b>20 006 799</b>

**15 Notes to the cash flow statement****15.1 Cash generated from operations**

	2017 R	2016 R
Profit before taxation	57 459 520	67 259 732
Adjustment for:		
Depreciation	24 424 138	24 832 129
Finance income	(28 824 690)	(35 271 842)
Asset write-off	1 187 609	163 683
Finance costs	3 016	42 327
Increase in provision for bonuses	1 421 981	173 261
(Decrease)/increase in provision for impairment of receivables from exchange transactions	186 042	(9 784)
	<b>55 857 616</b>	<b>57 189 506</b>
Movements in working capital		
Decrease in inventories	61 647	505 743
Decrease in receivables	5 649 882	8 387 384
(Decrease)/increase in payables	(25 006 568)	48 225 706
	<b>36 562 577</b>	<b>114 308 339</b>

**15.2 Taxation paid**

	2017 R	2016 R
Balance at beginning of year	1 446 296	1 058 576
Current taxation charged to income statement	14 906 133	22 655 775
Balance at end of year	3 002 222	(1 446 296)
	<b>19 354 653</b>	<b>22 268 055</b>

**15 Notes to the cash flow statement (continued)****15.3 Cash and cash equivalents**

	2017 R	2016 R
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Current accounts	<b>14 140 677</b>	9 704 428
Call and investment accounts	<b>237 886 865</b>	408 823 598
Petty cash	<b>5 500</b>	5 500
Cash float	<b>130 500</b>	61 500
Cash on hand	<b>24 225</b>	–
<b>Cash and cash equivalents</b>	<b>252 187 767</b>	<b>418 595 026</b>

The following bank and investment accounts were held by the entity:

	2017 R	2016 R
Nedbank – Current Account (Acc Number: 1232043850)	<b>462 760</b>	264 794
Nedbank – Call Deposit Account (Acc Number: 03/7881544007/000105)	<b>17 758</b>	16 597
Nedbank – Investment Account (Acc Number: 03/7881544007/000104)	–	15 429 431
ABSA Bank – Current Account (Acc Number: 4072900553)	<b>8 638 605</b>	6 106 098
ABSA Bank – CTICC East – Current Account (Acc Number: 4072900228)	<b>2 644 927</b>	1 067 492
ABSA Bank – Exh Serv – Current Account (Acc Number: 4072900731)	<b>23 645</b>	44 066
ABSA Bank Treasury Account – (Acc Number: 4073731246)	<b>68 295</b>	65 071
ABSA Bank Treasury Account – (Acc Number: 4073733701)	<b>2 302 446</b>	2 156 907
ABSA Bank – Call Deposit Account (Acc Number: 4074708347)	<b>39 622 400</b>	14 833 701
First National Bank – RMB Investment Account (Acc Number: 00 506 190 167 40)	<b>13 799 821</b>	12 788 496
Stanlib – Corporate Money Market Fund Account (Acc Number: 000-402-184 (1199539) 551436367)	<b>2 751 458</b>	51 793 529
Stanlib – Corporate Money Market Fund Account (Acc Number: 000-402-184 (1199539) 552166459)	–	7 404
Investec – Corporate Money Market Fund Account (Acc Number: (462097) 1008645)	<b>35 163 486</b>	19 488 827
Investec – Corporate Money Market Fund Account (Acc Number: (462097) 1037793)	–	23 953
ABSA Bank – Call Deposit Account (Acc Number: 4083941322)	<b>924</b>	14 018 123
Nedgroup – Money Market Fund Account (Acc Number: (1800167964) 8319631)	<b>48 356 444</b>	58 687 057
Nedgroup – Corporate Money Market Fund C2 Account (Acc Number: (800190652) 8330496)	–	20
Nedgroup – Corporate Money Market Fund C2 Account (Acc Number: (1452-027-900) 8319631)	<b>17 254 760</b>	–
ABSA Bank – Money Market Fund Account (Acc Number: 9295637051)	<b>402</b>	–
ABSA Bank – CTICC Money Market Fund Account (Acc Number: 09316676360)	<b>35 299 028</b>	86 823 583
ABSA Bank – Guarantee Account (Acc Number: (506009 4072900553) 43939765)	<b>45 620 383</b>	134 912 877

**16 Expenses by nature**

	2017 R	2016 R
Depreciation	24 424 138	24 832 129
Employee-related costs (note 18)	55 545 476	46 182 266
Inventory recognised as an expense	23 161 868	24 671 125
Marketing and advertising costs	6 262 378	4 819 105
Other expenses	77 619 225	76 589 720
<b>Total cost of sales and operating expenses</b>	<b>187 013 085</b>	<b>177 094 345</b>

**17 Related parties****17.1 Holding company**

The Company is controlled by the City of Cape Town, which owns 71.4% (2016: 67.8%) of the Company's shares. The remaining shares are held by the Western Cape Government, which owns 23.2% (2016: 25.3%) and SunWest International (Pty) Ltd, which owns 5.4% (2016: 6.9%). The City of Cape Town has leased the land on which the Convention Centre is built to the Company for a period of 99 years at a cost of R100 per annum.

In terms of an agreement dated April 2001, Conenco has sub-leased a portion of land to Vexicure Proprietary Limited t/a Westin for an initial period of 30 years extendable to 50 years. The hotel erected on this site reverts to the City of Cape Town should the lease not be renewed.

In terms of an agreement dated September 2005, Conenco has sub-leased a portion of land to Redefine Properties Limited for an initial period of 50 years extendable by 20 years. The office tower (Convention Towers) erected on this site reverts to the City of Cape Town should the lease not be renewed.

	2017 R	2016 R
<b>Related party transactions – City of Cape Town</b>		
Rates and taxes	4 803 877	5 260 215
Electricity	11 289 706	11 124 301
Water	1 252 082	1 088 520
Lease P1 Parking (including refuse, sewerage, rates and water)	3 334 774	3 390 862
<b>Related party transactions – Other</b>		
Y-Waste Solutions CC*	–	22 969
<b>Related party balances</b>		
Amounts owing to City of Cape Town	3 125 889	1 378 698
Amounts due by City of Cape Town**	–	575 804

\* Waste management service supplier where the manager's spouse (S Fourie) is a non-executive director and in the service of the State (HoD: Department of Economic Development and Tourism)

\*\* The amount due from the City of Cape Town relates to the second basement of the expansion.

**17 Related parties (continued)****17.2 Subsidiary**

The Company has only one subsidiary, the Cape Town International Convention Centre Operating Company SOC Ltd (OPCO). OPCO is in the process of being deregistered. Consolidated financial statements have not been prepared as OPCO is dormant and is not considered material.

	2017 R	2016 R
<b>Directors' remuneration</b>		
Non-executive Directors' remuneration		
AA Mahmood	49 606	52 407
AM Boraine	91 634	94 829
BJ Lodewyk	87 506	79 180
El Hamman	80 404	58 031
G Lundy	–	42 229
H Taljaard	–	17 476
RSH Eksteen	44 972	38 892
S Myburgh-De Gois	60 490	41 331
DA Cloete	80 819	28 522
HV Ntoi	52 754	–
S Sibanda	29 595	–
<b>CEO's remuneration</b>		
Basic salary	1 996 632	1 874 976
Bonus	271 373	232 485
<b>Key management remuneration</b>		
Basic salary	5 092 358	3 887 797
Bonus	527 413	513 614
<b>Total</b>	<b>5 619 771</b>	<b>4 401 411</b>

**18 Employee-related costs**

	2017 R	2016 R
Salaries and wages	41 914 986	35 216 194
Contributions for UIF, WCA, medical aid, etc.	3 587 172	3 064 952
Provident fund	3 661 245	3 039 192
Overtime	1 002 287	716 360
Performance bonus*	3 625 124	2 507 478
Other: Staff transport and health and safety costs	1 754 662	1 638 090
<b>Total employee-related costs</b>	<b>55 545 476</b>	<b>46 182 266</b>
Number of employees	184	161

\* During the financial year ending 30 June 2017, an amendment to the bonus policy was approved by the Board. The amendment to the policy has no change to the methodology and calculation of the bonus. The change is in relation to timing which is now based on financial year whereas previously the provision was based on calendar year. This has no impact on the actual amounts being paid on bonuses and only affects the provision.

**19 Operating Leases****19.1 Lessee**

2017	1 YEAR R	2-5 YEARS R	OVER 5 YEARS R
<b>Future minimum lease payments (ZAR) (incl. VAT)</b>	<b>3 006 885</b>	<b>13 943 140</b>	<b>301 532 298</b>
<b>2016</b>			
Future minimum lease payments (ZAR) (incl. VAT)	2 708 915	12 561 428	291 575 229

Future minimum lease payments for the operating leases relate to the following leases:

- City of Cape Town – 99 year lease of land, remaining term 83 years 5 months.
- City of Cape Town – 50 year lease of P1 parking garage, remaining term 34 years 3 months.

**19.2 Lessor**

The Company receives rental income from Vexicure Propriety Limited t/a Westin and Redefine Properties Limited, which is a percentage based on turnover.

**20 Budget information****20.1 Explanation of variances between approved and final budget amounts**

The budget is approved on an accrual basis by nature classification. The approved budget covers the fiscal period from 1 July 2016 to 30 June 2017. Both the budget and the accounting figures are prepared on the same basis.

The variances between the approved and final budgets are mainly due to the adjustment of:

- an increase in revenue due to additional short-term business gained;
- an increase in finance income due to a delay in the spending of funding for the expansion; and
- a decrease in total indirect costs mainly due to adjustments on personnel, operations and computer costs.

**20 Budget information (continued)****20.2 Explanation of variances greater than 5% and greater than R1 million: Final budget and actual amounts****Statement of financial performance****(i) Revenue and other income (R4 950 680)**

Due to a decrease in revenue gained from revenue sources such as food and beverage services.

**(ii) Direct personnel (R2 263 449)**

Decreased direct personnel is in relation to the decreased food and beverage revenue.

**(iii) Finance income (R5 203 961)**

Due to steady interest rate earned from favourable cash balances.

**(iv) Indirect expenditure (R32 718 111)**

Substantial savings on indirect expenses achieved through strict budgetary control.

Personnel cost savings due to vacancies as at year end. The budget also includes an adjustment in staff salaries as a result of the permanent appointment of key labour broker staff.

Operations general cost savings on logistic services.

Utility services savings are due to a combination of savings on rates, electricity and insurance.

Building costs savings are due to tighter control on services of cleaning, refuse and security.

Computer cost savings due to tighter control of certain IT services.

Advisor cost savings due to tighter control on legal cost spend.

Travel and entertainment cost savings due to timing of the expense as a result of business operational needs.

Marketing and corporate communications savings as a result of trade fairs and related costs and marketing events.

Catering materials as a result of the decrease in revenue sources such as food and beverage services.

Bad debts as a result of the provision of potential irrecoverable debtor accounts.

Depreciation savings are due to the timing of capital expenditure, and due to a reassessment of the useful lives of assets.

Finance cost savings as a result of a delay in taking up loan funding.

**(v) Profit before tax for the period (R45 371 511)**

Increased revenue, finance income and significant cost savings contributed to the improved performance.

**20 Budget information (continued)****20.3 Explanation of variances greater than 10% and greater than R2 million: Final budget and actual amounts****Capital expenditure**

100% of capital expenditure projects were either complete or in progress as at year end.

Other capex items – The unspent capital expenses relates to the timing of expenditure on the CTICC East expansion programme.

Capital expenditure relates to the operation and has no impact on service delivery.

**20.4 Revenue and other income reconciliation**

Classification of certain income and expenditure differs in instances from the statement of financial performance compared to the statement of comparison of budget and actual amounts.

	2017 R
Revenue per the statement of financial performance	210 552 246
Other income per the statement of financial performance	5 095 670
	<b>215 647 916</b>
Revenue per the statement of comparison of budget and actual amounts	177 487 799
Other income per the statement of comparison of budget and actual amounts	38 160 117
	<b>215 647 916</b>
<b>Cost of sales and operating expenses</b>	
Cost of sales per the statement of financial performance	23 790 905
Expenses per the statement of financial performance	163 219 164
	<b>187 010 069</b>
Finance costs included in indirect expenditure	3 016
Direct costs per the statement of comparison of budget and actual amounts	41 032 042
Indirect costs per the statement of comparison of budget and actual amounts	145 981 043
	<b>187 013 085</b>

## 21 Financial instruments

### 21.1 Risk management

#### Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and Great British Pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company's risk exposure to revenue is minimal as the revenue is charged in the Rand-denominated currency.

Payments denominated in foreign currency are limited and therefore the Company's risk exposure is minimal.

#### Market risk

The Company's activities expose it primarily to risks of fluctuations in interest rates.

#### Interest rate risk

The Company's interest rate profile consists of fixed and floating rate bank balances which expose the Company to fair value interest rate risk and cash flow interest rate risk.

The Company manages interest rate risk in terms of the Municipal Investment Regulations.

#### Interest rate sensitivity risk

The sensitivity analysis below has been determined based on the financial instruments' exposure to interest rates at reporting date.

A sensitivity analysis shows reasonable expected change in the interest rate, either an increase or decrease in the interest rate percentage. The equal but opposite 1% adjustment to the interest rate would result in an equal but opposite effect on net surplus and therefore has not been disclosed separately.

	<b>2017</b>	2016
	<b>R</b>	R
Cash and cash equivalents	<b>252 187 767</b>	418 595 026
Increase/Decrease in interest rates	<b>1%</b>	1%
Net surplus (post-tax)	<b>1 815 752</b>	3 013 884

## 21 Financial instruments (continued)

### 21.1 Risk management (continued)

#### Credit risk management

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation, and arises principally from the Company's customers. The Company's policy is to receive the majority of payment upfront from customers. Any outstanding balances are managed through frequent communications with customers.

Due to the nature of the business, a majority of the outstanding amounts are with customers with whom the Company has dealt with previously and whom have not defaulted in the past.

Financial assets, which potentially subject the entity to credit risk, consist principally of cash and cash equivalents and trade and other receivables.

The Company's cash and cash equivalents are placed with high credit quality financial institutions.

Credit risk with respect to trade receivables is limited due to the credit approval processes.

#### Credit quality of trade and other receivables

The following represents the credit quality of the trade receivables:

	2017 R	2016 R
Key accounts customers	1 713 962	4 517 340
Other accounts customers	262 195	550 501
High risk customers	190 094	4 052
Related party recoverable*	–	575 804
	<b>2 166 251</b>	<b>5 647 697</b>

The Company believes that no further impairment is necessary on trade receivables as reflected in note 6.

\* The related party recoverable balance is due from the City of Cape Town relating to the second basement of the expansion.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that adequate funds are available to meet its expected and unexpected financial commitments through effective working capital management.

The following table provides details of the Company's remaining contractual liability for its financial liabilities:

	LESS THAN 1 MONTH R	GREATER THAN 1 MONTH R	TOTAL R
<b>2017</b>			
Client deposits	4 611 570	15 075 729	19 687 299
Payables and other payables from exchange transactions	16 088 691	40 310 622	56 399 313
	<b>20 700 261</b>	<b>55 386 351</b>	<b>76 086 612</b>
<b>2016</b>			
Client deposits	47 883	46 572 611	46 620 494
Payables and other payables from exchange transactions	15 446 903	76 526 219	91 973 122
	<b>15 494 786</b>	<b>123 098 830</b>	<b>138 593 616</b>

## 21 Financial instruments (continued)

### 21.1 Risk management (continued)

#### Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and payables and other payables from exchange transactions, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, shown in the statement of financial position, plus net debt.

The gearing ratios at 30 June 2017 and 30 June 2016 were as follows:

	2017 R	2016 R
Cash and cash equivalents	252 187 767	418 595 026
Less: Payables and other payables from exchange transactions	(56 399 313)	(91 973 122)
Net cash	195 788 454	326 621 904
Total equity	957 115 104	589 805 242
Total capital	1 152 903 559	916 427 146
Gearing ratio	17%	36%

### 21.2 Financial instruments by category

The accounting policies for financial instruments have been applied below:

#### 2017

##### Assets as per financial position

Receivables and other receivables from exchange transactions	2 014 573
Cash and cash equivalents	252 187 767

##### FINANCIAL ASSETS AT AMORTISED COST

R

##### Liabilities per financial position

Payables and other payables from exchange transactions	56 399 313
Client deposits	19 687 299

##### FINANCIAL LIABILITIES AT AMORTISED COST

R

#### 2016

##### Assets as per financial position

Receivables and other receivables from exchange transactions	5 078 251
Cash and cash equivalents	418 595 026

##### FINANCIAL ASSETS AT AMORTISED COST

R

##### Liabilities per financial position

Payables and other payables from exchange transactions	91 973 122
Client deposits	46 620 494

##### FINANCIAL LIABILITIES AT AMORTISED COST

R

## 22 Supply chain management regulations

### 22.1 Deviations

In terms of section 36 of the Municipal Supply Chain Management Regulations and the CTICC Supply Chain Management Policy, the CEO may ratify any minor breaches of the procurement process.

#### 2017

Total deviations for the year amounted to **R17 501 216**

Listed below are material deviations:

Incident	R
Exceptional/impractical cases	3 949 507
Sole/single provider	6 403 606
Emergency situation	569 511
Minor breaches	6 578 592
	<b>17 501 216</b>

#### 2016

Total deviations for the year amounted to R21 094 062

Listed below are material deviations:

Incident	R
Exceptional/impractical cases	6 776 603
Sole/single provider	5 244 722
Emergency situation	583 360
Minor breaches	8 489 377
	<b>21 094 062</b>

- 22.2** According to section 45 of the Municipality Supply Chain Management Policy, disclosure needs to be given of awards to close family members of persons in the service of the state, in compliance with the provisions of CTICC's Supply Chain Management Policy.

Appointment of food waste management services was awarded to Y-Waste Solutions CC (non-VAT vendor). The manager's spouse (S Fourie) is in service of the state (HoD: Department of Economic Development and Tourism) and a non-executive director of the Company. The amount of the award was 2017: R0 (2016: R22 969).

Tender CTICC024/2014: Appointment of upgrade P1 parkade renovation, was awarded to Exeo Khokela Civil Engineering (Pty) Ltd. The director's child (T Meyer) is in service of the state (Educator: Western Cape Education Department). The amount of the award was 2017: R237 908 (2016: R1 563 789).

AT Catering t/a 3 Peas was appointed onto the panel for the supply and delivery of Fresh and Prepared Fruit and Vegetables (CTICC027/2016). The director's spouse (Mrs. M Brink) is in service of the state as a doctor at the Red Cross Children's Hospital. The amount of the award was 2017: R838 842 (2016: R491 937).

Tender CTICC010/2016: Professional services – Upgrading of existing generating system, was awarded to SMEC. The spouse (Mrs. Y Phosa) of the Chairperson of SMEC's Board of Directors, is in service of the state as Chairperson – Parliament Committee of Higher Education and Training. The amount of the award was 2017: R296 823 (2016: R154 933).

## 23 Events subsequent to year end

The Directors are unaware of any events after the reporting date that would materially alter the amounts or disclosure in these annual financial statements.

## 24 Capital commitments

Commitments in respect of capital expenditure

Category	2017 R	2016 R
Other capex items	112 799 734	371 850 265
<b>Total capital commitments</b>	<b>112 799 734</b>	<b>371 850 265</b>

## 25 Contingent liabilities

- 25.1** The CTICC is subject to various claims which have arisen from the expansion project brought by the principal building contractor and other professional services consultants. The provisional estimate for ongoing legal proceedings is at R7.5 million at the time of this report.

## UNITED NATIONS GLOBAL COMPACT INDEX

No.	Principle	Met	Page reference
1	<b>Principle 1</b> – Businesses should support and respect the protection of internationally proclaimed human rights.	✓	2, 18-19, 20, 22, 73-4, 93, 95
2	<b>Principle 2</b> – Businesses should make sure they are not complicit in human rights abuses.	✓	95
3	<b>Principle 3</b> – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	✓	95
4	<b>Principle 4</b> – Businesses should uphold the elimination of all forms of forced and compulsory labour.	✓	95
5	<b>Principle 5</b> – Businesses should uphold the effective abolition of child labour.	✓	95
6	<b>Principle 6</b> – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	✓	2, 18-19, 20, 22, 73-4, 93, 95
7	<b>Principle 7</b> – Businesses should support a precautionary approach to environmental challenges.	✓	108
8	<b>Principle 8</b> – Businesses should undertake initiatives to promote greater environmental responsibility.	✓	3, 9, 20, 29, 106-111
9	<b>Principle 9</b> – Businesses should encourage the development and diffusion of environmentally friendly technologies.	✓	107-8
10	<b>Principle 10</b> – Businesses should work against corruption in all its forms, including extortion and bribery.	✓	113, 116





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