

MAKING GREAT
CONNECTIONS
FOR FIFTEEN YEARS

2018 INTEGRATED
ANNUAL REPORT

Cape Town International Convention Centre



2003

Our grand opening

"For many years, the magnificent splendour of the Western Cape has drawn visitors from across the globe. As they continue to come, they will also find the Cape Town International Convention Centre – another symbol of hope, a symbol of our glorious past, a symbol of modernity and a symbol of future prosperity. It draws its essence from the formidable and mighty Atlantic Ocean from where Convention Square gained its land."

Thabo Mbeki, President of South Africa



MAKING CONNECTIONS, CREATING JOBS AND BOOSTING ECONOMIES FOR 15 YEARS.

The Cape Town International Convention Centre (CTICC) turned 15 in June 2018. Designed and built to create global connections, its purpose is to bring people together through world-class events that promote economic growth and create jobs. In doing so, we create relationships. These connections reflect our economic, intellectual, social and environmental contribution as a valuable national asset. Over our first 15 years we have created over 115 000 jobs and we have made a combined cumulative contribution to the regional and national economies of over R40bn.

BOOSTING ECONOMIC GROWTH

Maximising our economic spin-off is central to our purpose. As a municipal entity, it is imperative we run a sustainable business: we have been a carefully managed and viable enterprise for 15 years. We earn well, control costs and provide a world-class service to all our stakeholders – not just our shareholders, but our clients from all over the globe.

MAKING LASTING CONNECTIONS

It is our service that brings people back year after year. Several of our client relationships go back a decade at least, some even the full 15 years. Many of these 7 432 events have left legacies, including vital community services and new job opportunities in various sectors, including our own hospitality sector.

BUILDING CAREERS AND COMMUNITIES

Making connections and creating jobs is not only about networking. It is also about the connections we make internally with our people and externally with our clients and communities. The training and internal promotion of our own people continues to strengthen our service offering. Our commitment to our community beneficiaries is also growing, as is our contribution to our planet through our ongoing efforts to reduce our energy, waste and water consumption. In particular, our programmes to drive down water usage demonstrate our awareness of the responsibility we have as an active citizen of the Western Cape.

It is the balance of these three elements – economic, social and environmental impact – that ensures we remain both a responsible corporate citizen and a viable commercial concern, committed to triple-bottom-line reporting. As such, our intention is to remain at the forefront of our sector, connecting with the world we live in for many years to come.

We have created over 115 000 jobs and we have made a combined cumulative contribution to the regional and national economies of over R40bn.

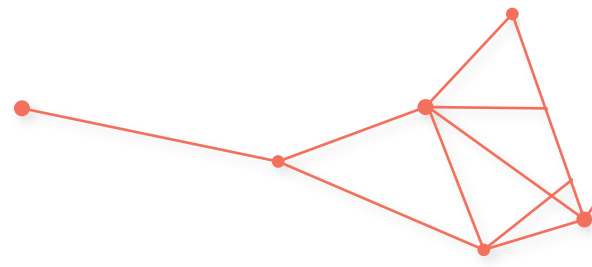
ABOUT THIS REPORT: ITS SCOPE AND PARAMETERS

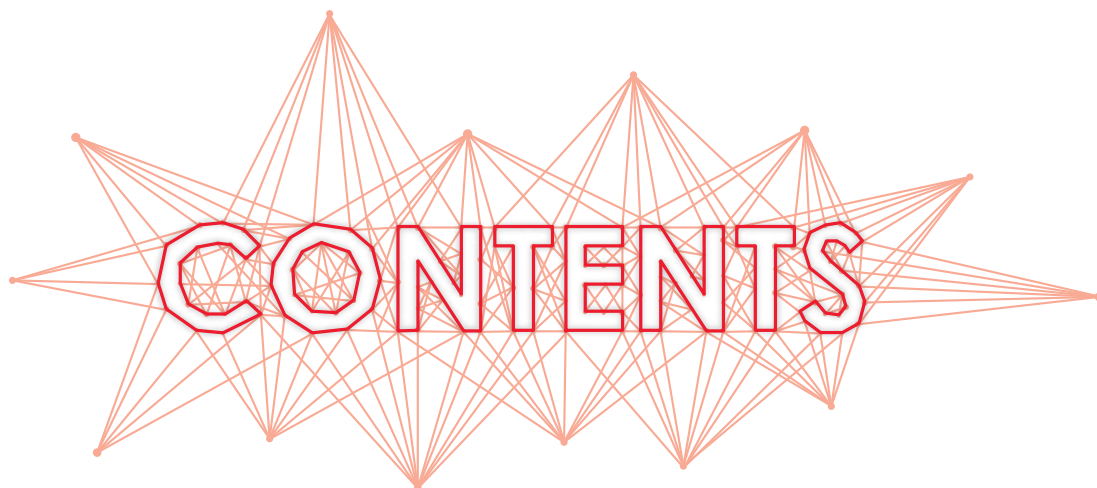
This report is compiled annually and contains data for the 2017/18 financial year, which runs from 1 July 2017 – 30 June 2018.

As at the end of 30 June 2018, the CTICC consists of two operational buildings (CTICC 1 and CTICC 2) and the report reflects on the performance of both.

The most recent previously compiled report was made available at our Annual General Meeting on 24 October 2017 and contained information from the previous financial year (1 July 2016 – 30 June 2017).

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HIGHLIGHTS 2017/18

We have had a remarkable year in terms of revenue, achieving a turnover of R246.3m. This represents a 14.2% growth in revenue compared to the previous financial year. We have also delivered consistently high levels of customer service, focused marketing and strong economic, environmental and social contributions, including significant job creation.



ECONOMIC CONTRIBUTION



R4.5bn
Contribution to
SA National GDP



R3.1bn
Contribution to
Western Cape GGP



R40.8bn
Cumulative contribution to
SA National GDP



R35.1bn
Cumulative contribution to
Western Cape GGP



8 553
Total jobs created



40%
(of total supplier base)
Women-owned enterprise suppliers



90 out of 182 (49.5%)
Women employed in the business



OPERATIONS & FINANCE



525
Total events



R246.3m
Revenue (including other income)



R57.2m
EBITDA
(32.9m or 135.4%
above target of R24.3m)



85%
Customer Satisfaction Index
(7% above target of 78%)



ENVIRONMENTAL CONTRIBUTION



30%
Reduction in water
consumption



84%
Waste diverted from landfill



SOCIAL CONTRIBUTION



R1.8m
Value of community
development support



AWARDS & ACCREDITATIONS

AWARDS

Winner: European Business Magazine Award

Best Conference and Events Destination
Centre for Africa

Winner: Summit Creative Award

Gold Award for Festive Season promotion
video series

Winner: SAISC Steel Awards

Commercial category: CTICC East expansion
project (officially named CTICC 2)

First Place: Top500 Companies Awards 2017

Exhibitions and Conference Facilities category

Women in MICE Award: Inducted into the Hall of Fame

Julie-May Ellingson, Chief Executive Officer

Named: Top 40 Women in MICE Award

Lindy Cambouris, Business Development
Manager: National

ACCREDITATIONS

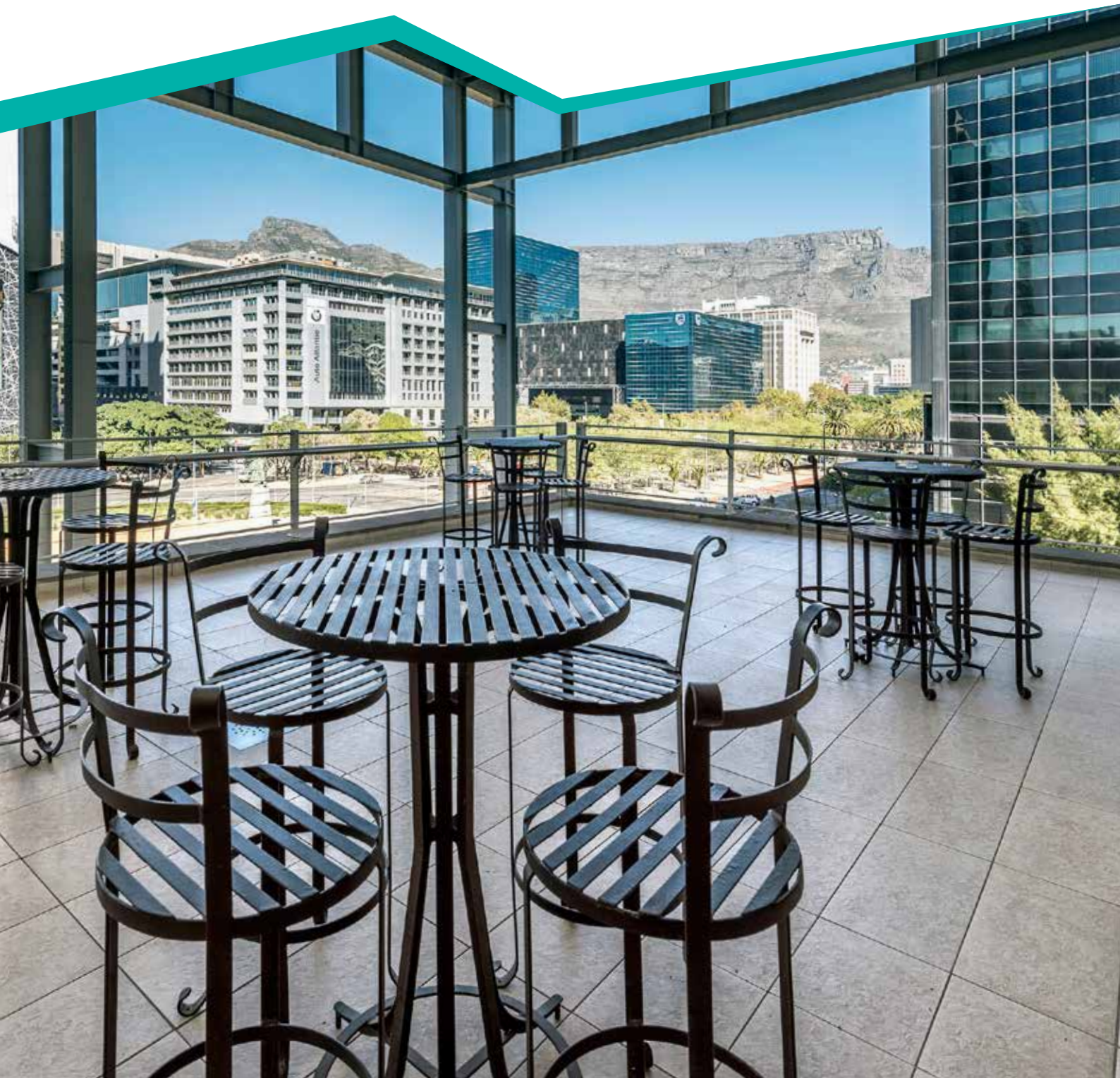
ISO 9001 (Quality Management)

ISO 14001 (Environmental Management)

OHSAS 18001 (Occupational Health & Safety Management)

ISO 22000 (Food Safety Management)

FOREWORDS



MESSAGE FROM THE EXECUTIVE MAYOR OF CAPE TOWN

As the CTICC turns 15 this year, it is good to reflect on its positive impact on our city and how powerfully it continues to connect with its stakeholders and clients, while delivering on the City of Cape Town's vision to be an opportunity city that creates an enabling environment for economic growth and job creation.



Patricia de Lille,
Executive Mayor: City of Cape Town

"I salute Julie-May Ellingson and her team for helping us deliver on our pledge to provide a safe, caring, inclusive and well-run opportunity city. The CTICC continues to perform well and I have no doubt will continue to do so for many more years."

In addition, the CTICC's financial stability, strong governance and consistent dedication to world-class service make it an iconic example of the City's commitment to deliver quality services to all its citizens.

There are many metrics to support the way the CTICC connects with the world to make its contribution to the city's economy and you will read of them in this report; but for the City the most notable is its contribution to poverty alleviation by creating over 115 000 direct and indirect jobs over its 15 years of existence. That means that the same number of households have food on the table, a roof over their heads and hope for the future.

The CTICC attracts visitors, interest and investment into our city. As such, it is a powerful tool in Cape Town's Foreign Direct Investment strategy. Cape Town is consistently ranked the number one destination for international conferences in Africa and the CTICC has played a major role in this achievement.

This reputation is the culmination of 15 years of commitment and innovation to ensure that the world's most prestigious and important events come to Cape Town, connect people and exchange knowledge. This echoes the City's efforts to communicate that Cape Town is open for business as a forward-looking, globally-competitive business destination.

There is no doubt that the CTICC has made a major contribution to this impressive ranking. Each year the CTICC contributes billions of rands to the national Gross Domestic Product (GDP) and regional Gross Geographic Product (GGP) – over R40bn since it opened its doors. Each year it has remained financially self-sustaining. Now, with the official opening of CTICC 2, its contribution promises to be even greater.

I salute Julie-May Ellingson and her team for helping us deliver on our pledge to provide a safe, caring, inclusive and well-run opportunity city. The CTICC continues to perform well and I have no doubt will continue to do so for many more years.

Patricia de Lille

Executive Mayor, City of Cape Town
(For the year under review)



"This reputation is the culmination of 15 years of commitment and innovation to ensure that the world's most prestigious and important events come to connect with Cape Town to share and exchange knowledge."



15

**Years of commitment
and innovation**

MESSAGE FROM THE PREMIER OF THE WESTERN CAPE



**Helen Zille,
Premier of the Western Cape**

"We commend Julie-May Ellingson and her team for their landmark performance in the face of tough economic conditions and also congratulate the CTICC on the opening of their new expanded facility, CTICC 2. We look forward to Cape Town hosting increasingly significant global and local events as a result."

The theme of the CTICC's annual report this year hits the bull's eye: Making connections, creating jobs and boosting economies.

Our role in government is to create a context in which this can happen. Our vision is a vibrant, innovative and sustainable economy that offers opportunities for all our people to improve their lives.

Despite our country's anaemic economy – and the additional burden of an unprecedented drought – the Western Cape has shown remarkable resilience. We are emerging stronger and moving ahead with a campaign to tell our story, inspire confidence in the future, attract greater levels of investment and continue building the region's economy for the benefit of all.

The tourism sector, which currently employs over 200 000 people in the province, has been the biggest driver of new job growth for many years. Against all odds, the industry has held its own in adverse circumstances.

One of the reasons for this achievement has been the self-sustaining growth of the CTICC over the last 15 years. This institution, which has become synonymous with the best the City has to offer, is a fine example of how social, environmental and financial performance can be achieved by good governance, smart management and a relentless commitment to quality service in the arenas of hospitality, business tourism, destination marketing and investment facilitation.

As the Provincial Government, we have worked hard to create a climate in which tourism can thrive. Our Air Access programme continues to expand the number of direct routes into and out of Cape Town International Airport and we believe the CTICC will reap the benefits of this.

We commend Julie-May Ellingson and her team for their landmark performance in the face of tough economic conditions and also congratulate the CTICC on the opening of their new expanded facility, CTICC 2. We look forward to Cape Town hosting increasingly significant global and local events as a result.

Thank you.

Helen Zille
Premier of the Western Cape



**Employing over
200 000 people
in the tourism
sector**



15

**Years of making
great connections**



MESSAGE FROM THE CHAIRPERSON OF CONVENCO



Vuyo Ntoi,
Chairperson, Convenco

"We also have a healthy forward book, listing numerous international events up to 2023. This is not only impressive but reassuring for a new Chairperson."



**First year on the Board
of the CTICC**

It has been an immense privilege to take on the role of Chairperson of Convenco in our 15th year, particularly as the CTICC 2 expansion is now complete and the potential for the complex as a whole has grown accordingly.

Our theme this year is connections and Cape Town has a very positive connection with the outside world, being an international favourite for both leisure and business tourism. Consistently award-winning in both arenas, I have no doubt the city's reputation wins us friends and business.

This year has seen us flourish with increased event numbers and attendance figures – clearly the new space and flexibility CTICC 2 brings is already improving our statistics. We have also had to deal with a number of challenging external factors this year, including listeriosis, a persistent drought and political and economic uncertainty. But this has not prevented our progress.

We have stayed true to our economic contribution commitment. We are realising our economic goals. Our social projects build hope and help generate income, while our core business of hosting international and local events continues to stimulate job creation to make a difference to people's lives. We also have a healthy forward book, listing numerous international events up to 2023. This is not only impressive but reassuring for a new Chairperson.

I am certain that Julie-May and her team will make the most of these new opportunities. Her tenacity and her extensive knowledge of the events sector – coupled with a service ethic second to none – serve us all well. I congratulate her on her successful oversight of the recent expansion and on this year's impressive performance. I very much look forward to working with her into the future.

Vuyo Ntoi
Chairperson, Convenco

REVIEW BY THE CHIEF EXECUTIVE OFFICER



Julie-May Ellingson,
Chief Executive Officer

Review by the Chief Executive Officer

The CTICC successfully hosted 525 events in the 2017/18 year. These generated a revenue of R246.3m, which represents a 14.2% growth compared to the previous year. We achieved an EBITDA of R57.2m, a healthy 7.7% increase over 2016/17. These figures are particularly pleasing when one considers some of the challenges we have faced in the past year, specifically the drought and its knock-on impacts.

The opening of CTICC 2 in September 2017 was certainly a highlight of the year. CTICC 2 has positively impacted on our revenues, allowed us to host concurrent events and added new and exciting options for our clients. As a complex, the CTICC continues to make a significant contribution to the economies of Cape Town, the Western Cape and South Africa.

This report focuses on a review of the 2017/18 financial year, as well as the broader contribution we have made over the past 15 years.

Our purpose is to connect people to create jobs

The CTICC plays a critical role in connecting people. These connections drive the knowledge economy and create opportunities for investment, which in turn create jobs. This central role is reflected in our annual economic contribution and job creation figures. For the year in review these remain impressive: R4.5bn contribution to GDP and R3.1bn

contribution to GGP. Cumulative economic contribution to GDP over 15 years stands at R40.8bn, with cumulative contribution to regional GGP standing at R35.1bn.

As a result of our activities, we have created over 115 000 jobs since 2003. This year alone we created 8 553 direct and indirect jobs, which is an amazing 9% increase on the previous year. In an economy that continues to shed jobs, this is something we are particularly proud of.

These are important figures, not only because we are committed to contributing to the City of Cape Town, Western Cape Province and South Africa, but because – as King IV reminds us – our responsibility, as a good corporate citizen, extends way beyond our own staff and business.

Celebrating our communities, our staff and ourselves

This year we increased our investment into local corporate social responsibility initiatives by 50% to R1.8m. This contribution is largely channelled through our five truly committed, transformative local community partners – Abalimi Bezekhaya, Foundation for Alcohol-Related Research (FARR), Ikhaya Le Themba, Journey of Enrichment and Mothers Unite.

Providing support to these partners makes a real difference. This is especially true when it comes to children as we found at our 15th birthday party, which we shared with 100 six-year-olds from Mitchells Plain and Khayelitsha (see page 82 for more about our fun celebration).

We continue to invest in our staff and their development and spent R3.1m on training (6% of our total salary bill) in the year under review. This included growing our student and graduate training programmes. We currently have 25 students and graduates learning with us. We also invested substantially in more formal short- and long-term training (see case studies on pages 89-91), which we believe directly benefits the staff, our clients and our industry as a whole.

Always improving our service to our clients

This year we have a bigger complex to sell, with our beautiful new sky bridge connecting our two buildings (see more about it on page 132). Each year we strive to keep abreast of technological developments to the benefit of our clients. This year we invested heavily in the upgrade of our WiFi which has been well received by our clients and the general public. We also successfully introduced a cashless payment system for one of our biggest entertainment events. We hope to extend this service to all our events in the future (see page 58 to learn more about it).

Our other big news, as an active environmental citizen, is our reverse osmosis desalination plant, which is nearing completion and will convert seawater into drinking water, allowing us to minimise the strain on the municipal water supply. We are also planning to become more independent energy-wise by harnessing more solar energy and installing heat pumps. We continue to maintain our very high waste diversion from landfill rates, which remained at an impressive 84%.



Investing in a collaborative future

This year we hosted a total of 454 338 delegates and visitors. And, in our case studies, we have taken the opportunity to celebrate some of our longest-standing and loyal clients (see pages 36-41). We have also put together some memories of our first 15 years. While we are proud of our achievements over the past 15 years, our focus is on our future and the significantly expanded capacity we have to sell.

It is reassuring that our forward book is healthy and our exchange rate still attractive. We want to attract as many of the world's international associations through our doors as we can but will continue to target those associations that promote the City and Western Cape's target catalytic growth sectors. Oil and gas, as an example, can create significant opportunities, as the Saldanha Bay Industrial Development Zone (IDZ) expands, while renewable energy and waterwise technologies are also growth areas. Medical technology is another growth area where we believe a number of opportunities can be realised in collaboration with the Cape Town Medical Technology Hub.

Thank you

None of this would happen without teamwork and, in particular, the essential support of our Board and stakeholders, who have been stalwart allies in our progress. In this regard, I must offer special thanks to our Chairperson, Vuyo Ntoi, who has come into his role at an exciting time, as our new complex becomes fully functional.

Our strong financial performance and impressive customer satisfaction scores are attributable to our Executive, Management Team and staff, without whom none of what we do would be possible. Their commitment and support as we pushed to complete CTICC 2 and launch it to the world was nothing short of miraculous. Thank you for your dedication, for putting in many, many extra hours and always going beyond the call of duty to ensure that our clients had the best experience.

To the Executive Mayor Patricia de Lille, whose promotion of our city as a desirable destination knew no bounds and whose support for the completion of CTICC 2 was phenomenal, I am deeply grateful for your support. I am also thankful to the Premier of the Western Cape, Helen Zille, and our partners at SunWest International for their ongoing support and belief in us. I also wish to thank our suppliers, who are our true partners in delivering exceptional experiences to our clients. Thank you.

Importantly, I must thank our most vital partners, our clients. Your commitment to us over the past year and support of our new venture, CTICC2, has been incredible. We know you have choices and while we can now offer even more choices, we remain forever grateful to you for choosing the CTICC to host your events.

Finally, the success of the CTICC over the past 15 years is attributable to the collective efforts of our shareholders, our Board, our staff, our clients and our suppliers. We look forward to building on this success and making an even greater contribution to building a positive future for our City, the Western Cape Province and South Africa.

Julie-May Ellingson

Chief Executive Officer



525

**Events successfully
hosted for 2017/18**



**Brought in a healthy
revenue of**

R246.3m

ABOUT THE CTICC



15 YEARS OF SERVICE EXCELLENCE

The Cape Town International Convention Centre is purpose-designed to accommodate international and local conferences, exhibitions and trade shows. The complex consists of two buildings – CTICC 1 and CTICC 2 – connected by an elegant sky bridge. We offer elegant venues for banquets, concerts, film shoots and stage productions. Our world-class facilities range from large auditoria and expansive exhibition halls to state-of-the-art private boardrooms and stylish cafés – all supported by highly advanced technology services. The centre is located in the fast-developing Foreshore area of Cape Town and is only a 20-minute drive from Cape Town International Airport. There are several hotels within walking distance.

OUR PURPOSE, MISSION AND VALUES

Purpose

We connect people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.

The successful realisation of this purpose is not measured purely by commercial interests, but also entails the centre's ongoing and significant contribution to the local and national economy, as well as our investment in a broad range of corporate social responsibility initiatives. Furthermore, the CTICC is committed to contributing to the City of Cape Town's vision of being Africa's business events destination. We aim to achieve this by building on our reputation as a truly inspirational business that sets the global standard for excellence in business practices, hospitality and event hosting, both locally and internationally.

Mission

We will bring our purpose to reality by:

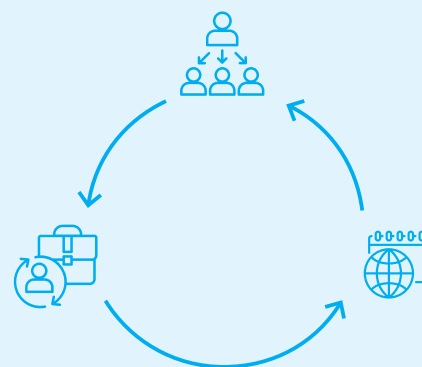
- Maximising economic spin-off and job creation;
- Focusing on innovation and exceeding expectations;
- Achieving service excellence by building capable and quality staff;
- Being a world leader in sustainability.

Values

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

- **Passion** – We live to go beyond;
- **Integrity** – We are transparent in all our actions;
- **Innovation** – We create magic that gives us the edge;
- **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;
- **Caring** – We care for one another, our clients, our business, our building and our equipment.

We continue to foster a culture of creativity, teamwork, and superior service delivery.



We connect people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.



Achieving service excellence by building capable and quality staff.



We care for one another, our clients, our business, our building and our equipment.

WHO WE ARE: OUR SHAREHOLDERS, OUR SERVICES AND OUR FACILITIES



CTICC 2 – creating spaces for people to connect

The 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 jointly 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%).

Our main departments are Commercial & Business Development; Finance; Food & Beverage and Operations; Facilities & Operations; and Human Resources.

We are primarily an event venue that offers event-related services typically required to host an event or conference. Our primary products and services include:

- International conference services;
- National conference services;
- Food and beverage services;
- Trade fair and exhibition services;
- Operational services;
- Marketing and corporate communication services;
- Event-related services such as IT, audiovisual and cleaning.

The CTICC is a complex made up of two facilities, namely CTICC 1 and CTICC 2

Our CTICC 1 facilities include:

- Two modern raked auditoria – which can seat 1 516 and 612 guests respectively;
- A sub-divisible, multifunctional ballroom of 2 000m²;
- Over 11 399m² 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 people banquet-style with an independent foyer and terrace;
- Three conservatories flooded with natural light and indigenous flora;
- A marshalling yard of 5 000m² 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 148m² of floor area in total;
- 10 000m² of conference and exhibition space;
- 3 000m² of meeting space, composed of three meeting suites and six meeting pod rooms;
- A marshalling yard of 1 267m²;
- Three kitchens;
- One terrace room;
- An in-house coffee shop – Coffee on the Circle;

A sky bridge links the two buildings, creating a seamless complex which will be able to host a variety of events concurrently.

HOW WE CONTRIBUTE: OUR MARKETS, OUR CLIENTS, OUR STAFF AND OUR STAKEHOLDERS

We serve several markets based on seven key event sectors: international conferences; national conferences; exhibitions; trade fairs; banquets; special events; as well as other events and film shoots. A total of 525 events were held during the past financial year, of which 32 were international conferences.

In the year under review, we hosted events from South Africa and all over the world, including the United Kingdom, United States of America, Switzerland, France, Belgium, South Korea, Ireland, Turkey, Singapore, New Zealand, Kenya, Malaysia, Equatorial Guinea, United Arab Emirates, Germany, Australia, the Netherlands and Nigeria.



Our executive and senior management



From left to right:

Tracy Mkhize, General Manager: Operations - Food & Beverage

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

Julie-May Ellingson, Chief Executive Officer

Craig Barrington, General Manager: Facilities & Operations



Our people

For the financial year end, we employed 182 full-time staff, 175 of whom were permanent. We also employed seven temporary staff, including students and graduates. In addition, we employed a fluctuating number of contract staff for events throughout the year. The majority of our staff are skilled and semi-skilled and our commitment to upskilling and training our staff is consistent and comprehensive. See page 86 of this report for more information on our training programmes.

Our employment philosophy

Our approach towards employment is informed by our purpose, which is premised on connecting people in meaningful and productive ways to create jobs and careers. In addition, we have added a new value of caring to our brand values this year, which starts with a commitment to caring for one another. The practical manifestations of these commitments are to be found in our Employment Equity & Training Committee (EE&TC) and Employee Relations Forum (ERF). These fora are charged with ensuring we comply with all aspects of Broad-Based Black Economic Empowerment (B-BBEE), Employment Equity (EE) and Labour Relations legislation, while empowering all our staff with opportunities to grow.

The ERF focuses primarily on representing the interests of all employees regarding employment conditions. The EE&TC's mandate is to improve the EE process and its compliance with the EE Act. All members of the EE&TC receive in-depth training in respect of the Act. In addition, the Senior Employee Equity Manager conducted a refresher presentation to all staff in October 2017 to ensure all staff are aware of EE principles. The

EE&TC holds quarterly meetings centred on the monitoring of progress, compilation and submission of the Annual EE Plan.

In terms of recruitment policy, preference is given to Western Cape residents so that the centre can deliver meaningfully on its commitment to boost local job creation and economic growth. Local means the City of Cape Town and the Western Cape in this context.

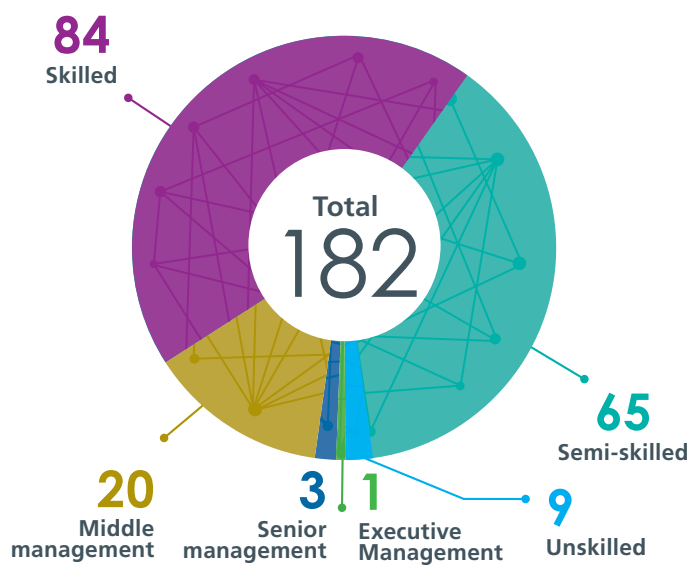




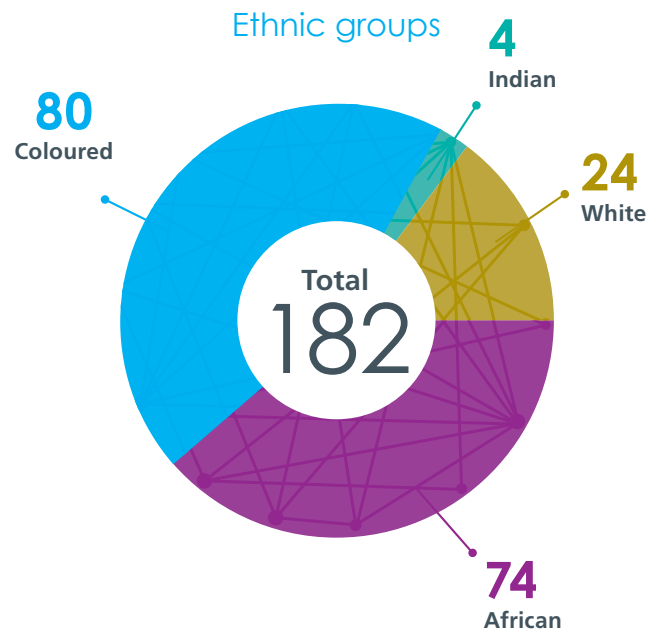
Diversity

We are committed to staff diversity and make every effort to ensure that the staff complement is representative of South African society.

Employment level



Ethnic groups



CERTIFICATIONS: CONNECTING WITH QUALITY



CTICC is now ISO 22000 certified

Certification is about a commitment to globally recognised quality measures that requires measuring ourselves by the highest standards and connecting ourselves with the best international rating systems. This is why we comply with the United Nations Global Compact (UNGC) principles. We also operate an Integrated Management System (IMS) to ensure that quality assurance and sustainability management are regulated at a high level. Health and Safety matters are taken equally seriously.

As a result, we continue to maintain our International Standards Organisation (ISO) accreditation through the South African National Accreditation System (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).

In addition, we are now certified for ISO 22000 (Food Safety Management System), which ensures food safety at the CTICC, from sourcing to serving.

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

We have also maintained our Tourism Grading Council of South Africa (TGCSA) five-star grading during the year under review. This included the retention of our Mobility Level 1 score for access to disability facilities in the centre, which formed part of the TGCSA's assessment in November 2017. We achieved an overall five-star assessment score of 98%, which was made up of a score of 96% for facilities, 98% for services and 100% for fixtures, fittings and furniture.



MEMBERSHIPS AND ASSOCIATIONS: THE POWER OF THE NETWORK

We are a member of the following associations, many of whom offer invaluable data and training support to us and the South African event management and tourism sector:



CTICC @ 15



15 YEARS OF CREATING JOBS AND BOOSTING ECONOMIES

15 YEARS OF MAKING CONNECTIONS

As we turned 15 in June 2018, we reflected on the many and diverse connections we have made with the more than eight million people who have come through our doors since we opened them. In that time we have created multiple opportunities for our many stakeholders, not least our own staff and the citizens of Cape Town, the Western Cape and South Africa.

Our focus on job creation and contributing to the local and national economy will continue into the future, with an emphasis on maximising the benefits from our expanded complex (CTICC 1 and CTICC 2) to the knowledge economy.

HERE ARE SOME
INTERESTING FACTS
ABOUT WHAT THE CTICC
HAS ACHIEVED IN THE
LAST 15 YEARS:

WE HAVE...

Since
2003



115 845

Total number of direct and indirect jobs (Western Cape and national)



7 432

Total number of events



17 134 704

Total number of visitor days*



1. Welcomed an estimated eight and a half million people through our doors;



2. Created more than 115 000 direct and indirect jobs;



3. Achieved a total number of over 17 million visitor days*;



4. To date hosted 589 international events;



5. Hosted over 7 400 events;



6. Contributed over R40bn to the South African GDP;



7. Contributed more than R35bn to the Western Cape GGP;



8. Hosted 79 500 people at one event: The Days of the Dinosaurs



9. Been profitable and self-sustaining since opening;



10. Provided local community partners with venue sponsorship worth R5m in the past nine years alone;



11. Trained permanent and temporary staff to the value of R10m;



12. Achieved a B-BBEE spend of R2.4bn over the last ten years;



13. Procured R1bn worth of goods and services from SMMEs over the last 10 years;



14. Hosted the largest number of delegates – 12 300 – during the 19th World Diabetes Congress;



15. Won the bid to host our biggest international conference ever to be hosted in Cape Town: the World Ophthalmology Conference in 2020 with 15 000 delegates expected to attend.

*Visitor days: the number of days delegates attend an event multiplied by the additional days they spend in the country as a result of that event, i.e. includes pre- and post-event stays, as well as stays of accompanying guests of delegates. (Grant Thornton definition, July 2018)

15 YEARS OF EXTRAORDINARY EXPERIENCES



CTICC 2

2003



First musical
is staged: Fame



Our grand opening

"The MICE industry within Cape Town finally has the missing piece of the puzzle with the opening of the CTICC. Now that Cape Town has its own convention centre we are able to compete on equal footing with other world-class destinations such as Sydney, Rome and Paris."

Rick Taylor, CEO of the Cape Town Convention Bureau

2004



North Sea Jazz Festival hosted by
the CTICC: 29 900 festinos



The fundamentals

"We realised there were really only two fundamentals: to bring meetings to Cape Town in a world-class facility and, in so doing, to generate jobs and economic development. And one more thing: Convenco wanted to be able to achieve these objectives without drawing any further on public funding."

Ian Douglas, Chief Executive Officer, CTICC

2005



Our millionth visitor after being open just two years



Establishing enabling and inclusive environments

"While buildings that exhibit accessibility problems are still being designed and built, there are some good examples of buildings that display many features of inclusive design. The Cape Town International Convention Centre (CTICC) has many good aspects of design... The venue offers every comfort, convenience and professional service required to accommodate the needs of visitors with disabilities, a fact well proven when it recently hosted 1 000 delegates of the Conference For The Blind with great success. It was also the venue for the Access Conference, a conference on the Status of Disabled Persons."

Guy Davis, Owner, Disability Solutions

2006



World Diabetes Congress: 12 300 delegates from 15 countries for one week



Gearing up for growth

"The diabetes congress alone is expected to generate revenue to the value of the total cost of the convention centre, creating unprecedented spin-off for the entire Western Cape region. This expansion will complete the process of securing the CTICC firmly as a sustainable, world-class facility in the run-up to 2010 and beyond."

Denis Skeate, Acting Chairperson, Convenco

2007



First Cape Town Book Fair: over 400 exhibitors from 36 countries and 26 000 visitors



R100m revenue milestone

"Having surpassed R100m turnover for the past year, the CTICC has truly come of age and the centre's commercial success is a source of immense pride to the province. I am delighted that the spin-off generated by both new visitors to the Cape and increasing numbers of returning visitors drawn directly and indirectly by the CTICC has grown to a staggering contribution to the economy of R2.4bn per year."

Ebrahim Rasool, Premier of the Western Cape

2008



Hosted the 14th World Congress of Anaesthesiologists – 10 000 delegates



Desirable destination
Cape Town

"The CTICC has built an enviable reputation as a premier business tourism venue in South Africa and the world. This is evident from the fact that almost two-thirds of all international meetings taking place in South Africa are now occurring in Cape Town, while one in four international meetings occurring in Africa comes to this city."

Lynne Brown, Premier of the Western Cape

2009



Hosted the 2010 FIFA World Cup Final Draw



Reducing the CTICC
carbon footprint

"At the CTICC we are dedicated to reducing the carbon footprint left by meetings and events and continually re-think the way we do business in order to minimise our impact on the environment."

Rashid Toefy, Chief Executive Officer, CTICC

2010



Hosted the 15th IUFOST Congress (International Union of Food Science & Technology) – 1 300 delegates



Enhancing Cape Town's
standing as a world-class
destination

"We have always adopted a holistic view of the

business. We therefore assess, for example, whether it is making a tangible and sustainable contribution to the economic development and social uplift of Cape Town, the Western Cape, and South Africa as a whole."

Dirk Elzinga, Chief Executive Officer, CTICC

2011



Hosted the Cape Yearling Sale for the first time: 3 000 people, 300 stables, 2 500 bales of hay



The expansion plan begins

"The CTICC has over the years become the flagship events and conference venue in the City. I am certain that the expansion will bolster the City's goal to be the destination of choice in Africa."

Alderman Dan Plato, Executive Mayor of Cape Town

2012



Disney on Ice: 8 000m² of excitement and our first-ever ice rink



Our commitment to service excellence

"I have witnessed how the CTICC's commitment to service excellence has made it the venue of choice for many events organisers. Its world-class facilities give it an edge over its competitors, and its excellent services and the passion of its staff are at the heart of the centre's continued success. The CTICC continues to deliver a consistently solid return on investment and numerous sustainable benefits for the residents of the city and its visitors. Its hosting of successful events gives life to our goal of establishing Cape Town as the events capital of the continent."

Patricia de Lille, Executive Mayor of Cape Town

2013



CTICC ambassador programme launched to grow international market share



A place of pride for the Cape

"The contribution of the CTICC extends beyond the direct and indirect financial injections that it attracts. It also facilitates job creation and helps to market Cape Town and the Western Cape to the rest of Africa and the world, making it a place of pride for all our people."

Helen Zille, Premier of the Western Cape

2014



CTICC East expansion of an additional 10 000m² – sod-turning ceremony



Expansion creates jobs and opportunities

"By expanding, we will be able to stage more events, more flexibility and allow for an increase in the concurrent hosting of various sizes of meetings, conventions, exhibitions and other events. The expansion will also entrench our international reputation for sustainable business developments and make a real contribution to job creation and the coffers of the city and the province."

Gary Fisher, Chairperson, Convenco

2015



Hosted the World Skills South African National Competition – 9 500 contestants



Expanding our conference capacity

"Our expanded CTICC is already the subject of much global interest and we are pleased to have already signed up our first large international association conference in 2020 that will bring 15 000 delegates to our shores. This would not have been possible without the expansion of the CTICC."

Julie-May Ellingson, Chief Executive Officer, CTICC

2016



CTICC collaborated with Pepsico in hosting a "zero waste" luncheon at the 60th Global Summit of the Consumer Goods Forum: 810 visitors



A place to meet and bridge barriers

"As the world is being shrunk by technology, so the need for us to connect as people, face-to-face, seems to grow. And this, of course, is what the CTICC provides par excellence – the space and the opportunity for people to meet to bridge international barriers, make cross-cultural connections and solve global problems. The world needs such places more and more."

Andrew Boraine, Chairperson, Convenco

2017



First event held across CTICC 1 and CTICC 2: AfricaCom 2017



Doubling our exhibition capacity

"The expansion of the Cape Town International Convention Centre, which is jointly funded by a range of stakeholders including the Western Cape Government, is also set to double the centre's existing exhibition capacity. We will see an increase in the number and size of conferences resulting in more business travellers to our region."

Alan Winde, Western Cape Minister of Economic Development

2018



Official launch of CTICC 2 in January 2018



Significant economic impact over the years

"This year we celebrate the 15th year of the CTICC's existence. At its founding, the centre was intended to cement the reputation of Cape Town as the continent's leading business tourism destination. We have achieved this goal and surpassed many of our stakeholders' expectations at the time of our establishment. Since our opening, we have made significant financial and economic development contributions to Cape Town, the Western Cape and the country as a whole."

Vuyo Ntoi, Chairperson, Convenco



Our focus on job creation and contributing to the local and national economy will continue into the future, with an emphasis on maximising the benefits from our expanded complex (CTICC 1 and CTICC 2) to the knowledge economy.



AN AWARD-WINNING CULTURE FOR THE PAST 15 YEARS

2004

Award for Innovative Excellence in Property Development from South African Property Owners Association (SAPOA)



2007

Convention and Exhibition Venue of the Year Award from UK magazine *Business Britain*



2010

Most Memorable Event from the Exhibition and Event Association of South Africa (EXSA)'s Annual Awards

2008

- Bronze Award in the Best Overseas Conference Centre category from Meetings & Incentives Travel (M&IT) Awards, London
- Best Architectural Design Award from Best of Cape Town Awards
- Winner Global Convention Centre of the Year from European CEO Magazine Awards

2011

- Recognising Industry Success and Excellence (RISE) Award from Meeting Professionals International (MPI) (for its exceptional use of meetings and events to enhance economic spin-off and improve and influence its local community)
- African Access National Business Awards
- Third place: Europcar Green Office Competition
- Finalist: Global Association of the Exhibition Industry (UFI) ICT Awards
- Finalist: International Association of Congress Centres (AIPC) Innovation Awards
- Finalist: South African Tourism Welcome Awards
- Finalist: Climate Change Awards
- Finalist: Best International Venue in Exhibition News Awards

2012

- Gold Winner: IMEX/Green Meetings Industry Council (GMIC) Green Supplier Award
- Recognising Industry Success and Excellence (RISE) Award from MPI (for its exceptional use of meetings and events to enhance economic spin-off and improve and influence its local community)
- Finalist: *Mail & Guardian* Greening the Future Awards
- Finalist: Imvelo Awards for Responsible Tourism in the Best Practice Environmental Impact category
- Finalist: National Business Awards
- Finalist: UFI Sustainability Development Awards
- Finalist: Platts Global Energy Award (in Stewardship Awareness for a Commercial End User category)
- Commendation for Efforts in Sustainability, Recycling and Climate Change from EnviroPaedia Ecological Awards

2013

- Award for the Best Sustainability Reporting from UFI
- Best Exhibition Venue of the Year from EXSA Annual Awards
- Finalist: National Business Awards
- Best Overall Environmental Management System from Imvelo Awards for Responsible Tourism
- Finalist: International Association of Congress Centres (AIPC) Innovation Awards



2014

- Gold Award for Best Print Advertising Campaign from Meeting Industry Marketing Awards
- Best Large Conference Venue from Business Traveller Africa
- Members' Choice: Best Conference and Events Venue from Southern African Association for the Conference Industry (SAACI)

2015

- Top 40 Women in MICE Award for Newsmaker of the Year from *Meetings Magazine*: Julie-May Ellingson
- Top 40 Women in MICE Award from *Meetings Magazine*: Megan Arendse
- Members Choice: Best Conference and Events Venue from SAACI
- SAACI Fellowship Award: Megan Arendse
- Commendation for Best Sustainability Practice from UFI Sustainable Development Awards



2016

- B-BBEE for Large Enterprises Award from Lilizela Tourism Awards
- First place in the Top500 Companies Award, Exhibitions and Conference Facilities Category
- Members Choice: Best Conference and Events Venue from SAACI
- Top 40 Women in MICE Award from *Meetings Magazine*: Esmaré Steinhöfel
- Commendation for Best Sustainability Practice from UFI Sustainable Development Awards
- Top Three Finalist for Africa's Leading Meetings and Conference Venue in World Travel Award

2017



- Build Innovation Award for Event Management: Best International Conference Centre (EMEA) from *Build Magazine*
- First place in the Top500 Companies Award, Exhibitions and Conference Facilities category
- Top 40 Women in MICE Award from *Meetings Magazine* – inducted into the Hall of Fame: Julie-May Ellingson
- Top 40 Women in MICE Award from *Meetings Magazine*: Lindy Cambouris
- Winner: Summit Emerging Media Award Complete Branding Campaign category
- Silver Award: Business to Business Collateral Materials from Summit Marketing Effectiveness Awards
- Best Conference and Events Destination Centre for Africa from *European Business Magazine*
- SAISC Steel Award: Commercial Category for CTICC East expansion project (now named CTICC 2)
- Best Large Conference Venue Award from Business Traveller Africa Awards
- Top Three Finalist for Africa's Leading Meetings and Conference Venue in World Travel Awards
- Finalist: National Business of the Year Award from National Business Awards
- Finalist: Top Performing Public Service Award from National Business Awards

2018



- Top 40 Women in MICE Award from *Meetings Magazine*: Tracy Mkhize, Adèle Maritz and Bianca van Niekerk
- Gold Award for Festive Season promotion video series from Summit Creative Awards
- Winner: Lilizela Universal Accessibility Award
- Finalist: Vision 2030 Driver of Change – Julie-May Ellingson
- Top Three Finalist for Africa's Leading Meetings and Conference Venue in World Travel Awards
- Finalist: Standard Bank Top Women Awards – Travel and Hospitality

LOOKING BACK 15 YEARS: IN THEIR OWN WORDS...

We are proud of the fact that there are quite a number of staff who have been with us since day one. We have captured a few memories of these long-serving members of staff, which demonstrate why they have remained with us from the very beginning.

Hajira Essop: every institution needs an institution

Aunty Hajira, as she is affectionately known, is an institution here and was at the CTICC before it was officially the CTICC. She met our first Managing Director, Dirk Elzinga, when the convention centre was still very much a building site and he asked her to join the opening team a year before we opened to the public. In other words, he poached her! She started as a Tea Lady on 1 November 2002 and is now Chief Office Assistant for the whole complex, working across all departments, assisting all staff and management.

When asked what has changed in that time, she says: "The people have changed over the years but for me it is still the same as back in 2002: a place where we work hard but also have time to enjoy our workplace." She adds: "I enjoy working with the team and enjoy coming here every day."

Her most memorable moments are personal ones – in particular, how the staff have celebrated her birthday with her, including her landmark 50th back in 2005. She says that very little perturbs her... including the office assistant's nightmare: different meetings at the same time. "That forms part of my day-to-day work," she concludes.



"I enjoy working with the team and enjoy coming here every day."

Pamela van Wyk: 15 years of memories

Pam tells the story of getting lost on her way to a catering job at the Mount Nelson and seeing this beautiful building with all its glass: she decided there and then she wanted to work there. The rest is history.

Pam started to work with us on Monday, 5 May 2003 – the day 86 people, she recalls, were employed. She talks of the excitement the CTICC created in the hospitality industry at that time – the first full-size international convention centre was the talk of Cape Town.

She started as a waitron and says that everyone did a bit of everything in those early days, particularly at their first-ever large-scale event – a cocktail reception for the hospitality industry. The teamwork, she says, was amazing. Everyone assisted and the event was a great success.

Learning on your feet and finding ways to give back

Pam describes her memorable 2012 baptism of fire as an Event Services Manager: her first conference was very demanding. However, with great support from the team around her, it all turned out fine in the end; but the learning curve was very steep!

For Pam, too, our commitment to community work is very close to her heart... the Mothers Unite paintathon in 2017 was a particular highlight for her. Pam is passionate about volunteering: "I'm a people's person and I like to give back."

Challenges and growth: clothing the CTICC

Pam's path has been about growing through learning on the job. She describes herself as a curious self-starter who has never been shy to learn something new; but says the most important shift she has made is to make the most of her strengths. She also says that responsibility has made her strong.

Today she finds herself in charge of our Linen Room whose name belies the scale of the responsibility she now holds. It entails sourcing, buying, cleaning and managing all our uniforms and catering linen requirements. Think of a wardrobe with 9 000 items in it. There is always a challenge and Pam just sails through, over and past them.

"I'm a people's person and I like to give back."



From left to right:
Pamela van Wyk, Sweetness Mata and Zanoxolo Filifili

Sweetness Mata: happily here for 15 years

Sweetness has always worked in the catering department, rising through the ranks from Function Assistant to Assistant Event Services Manager to Event Services Manager.

Highlights for her have included the Associate in Management (AIM) course at the University of Cape Town's Graduate School of Business (GSB). This was an educational opportunity to grab with both hands, she says – and her graduation day on 12 June 2014 was a major career highlight for her. In her own words: "Wow, this is a wonderful thing that this place has done for us." And that investment has kept her loyal, despite a number of offers along the way.

To top that, Sweetness's commitment and popularity won her the CEO's Award in 2016, shared with her former colleague, Londiwe. This surprise accolade was "very exciting and I was crying tears of joy".

Smiling through the challenges

Sweetness believes the key qualities required to manage clients include multi-tasking, especially when there are multiple clients to please, and "being a good listener". She has also learned to delegate – also not easy for a self-confessed perfectionist; but she has learned to let go.

Sweetness's commitment and popularity won her the CEO's Award in 2016, shared with her former colleague, Londiwe. This surprise accolade was "very exciting and I was crying tears of joy".

Zanoxolo Filifili: our expert problem-solver

Zano, as he prefers to be called, joined us on 12 May 2003 as a Parking Attendant. Since then he has taken on a variety of posts as Parking Controller, Driver, Operations Services Coordinator and Conference & Exhibition Services Manager. He is also a graduate of the UCT GSB AIM programme.

Unsurprisingly, this problem-solver says: "When I learned about this place of opportunities and how we will make our mark on the world, I just couldn't resist being part of that team." And that he has been ever since, noting memorable highlights along the way such as Decorex 2003, our 5th birthday concert, Vodacom year-end events and the 2010 FIFA World Cup Final Draw.

Today, promoted into the vital role of Parking & Logistics Manager, he says no challenges come to mind – and, indeed, clients comment regularly on his ability to make a plan.

"When I learned about this place of opportunities and how we will make our mark on the world, I just couldn't resist being part of that team."

THE EVENT YEAR



EVENTS REVIEW: MAKING CONNECTIONS, BUILDING ECONOMIC GROWTH

REVIEW OF EVENTS HOSTED IN 2017/18



525
TOTAL EVENTS



454 338
TOTAL ATTENDEES



32

INTERNATIONAL
CONFERENCES

⌘ 35 960



35

NATIONAL
CONFERENCES

⌘ 15 106



11

EXHIBITIONS

⌘ 179 523



16

TRADE FAIRS

⌘ 30 584



37

BANQUETS

⌘ 14 509



121

SPECIAL EVENTS

⌘ 132 854



273

OTHER EVENTS AND
FILM SHOOTS

⌘ 45 802



African Utility Week 2018

In 2017/18 we grew the number of events we hosted by 8.9% to 525. We welcomed a total of 454 338 attendees through our doors. Total delegate and visitor days* amounted to 933 212 for the year under review. These are substantial and pleasing increases.

We hosted a total of 32 **International Conferences** in 2017/18, meeting our target for that event segment, while allowing us to welcome 35 960 international delegates through our doors. These opportunities for making global connections through the knowledge economy covered a wide variety of topics including education, rail transport, medicine, astrophysics and rock mechanics. AfricaCom, one of our strongest international conference partnerships in the technology sector, was the first event to use both CTICC 1 and CTICC 2 for its 4 500 delegates during the year under review. The average duration of international conferences for the year under review was four days.

In terms of **National Conferences**, we hosted 35 conferences, whose attendance brought 15 106 delegates through our doors. This important segment included a similarly large range of sectors, from technology to medicine to investment and renewable energy. The largest conference was the 21st Annual Congress of the South African Council of Shopping Centres, which hosted 1 500 delegates from over 500 companies. This event is showcased on page 38. The average event duration was three days.

Exhibitions bring many visitors to the city, allowing the general public to connect with experts in their fields and learn about a range of topics: gaming, décor, DIY, education, baby care, fine art, running, property, comics and more. Of the 11 exhibitions attracting 179 523 visitors in 2017/18, the largest exhibition remained the Old Mutual Two Oceans Marathon Expo, which connected runners from all over the world for one of the most scenic road marathons in the world. 45 560 entrants and their supporters attended the expo this year, but other exhibitions also attract big numbers, such as the 2017 Cape Town HOMEMAKERS Expo (31 000) and MamaMagic, The Baby Expo (22 500), the first consumer exhibition successfully hosted in our new CTICC 2 facility. The average duration of exhibitions was three days for the year under review.

Trade Fairs, which are essentially business-to-business expos in particular economic sectors, drew 30 584 visitors in the year under review, connecting experts in a range of sectors together for an average of three days. The largest event was African Utility Week 2018, with 6 411 attendees. The next largest event of the 16 trade fairs was Propak Cape 2017, which is highlighted in our case studies on page 40. Other sectors represented included oil and gas, retail, wine, horses, construction, clothing, leather, signage, travel and utilities management.

Banquets are a growing segment due to our excellent food and beverage offering. We hosted 37 banquets in 2017/18, with guests ranging from companies rewarding their staff to families celebrating birthdays and weddings. Sometimes the causes are more serious, as is the case with our annual sponsoring of the venue for the 1000 Women 1 Voice event, which supports social movements for gender justice. Our highest attended banquet was the EOH Mthombo End of Year function for 1 700 guests.

Special events are largely entertainment events such as concerts and festivals, as well as product launches, wine tastings and church services. Our biggest special event was the Cape Town International Jazz Festival, which is one of our longest-standing clients. This event is showcased on page 39. It attracted 35 000 visitors this year. Ustad Rahat Fateh Ali Khan Live drew 3 410 visitors. Overall, this sector brought us 132 854 visitors for what are largely one-day events: 121 in all, which is just over double the number of special events we hosted in the 2016/17 financial year.

Other Events and Film Shoots is our last event category and includes a variety of roadshows, lectures, exams, breakfasts, AGMs and other usually one-day forums and meetings. This year we were intrigued to host the first-ever Cryptocurrency Investor Summit, which is covered in more detail on page 37. Our largest event in this category was the 2018 Bloomberg Philanthropies Awards for Global Tobacco Control, which was part of the 17th World Conference on Tobacco or Health, an important international conference, which we cover in more detail on page 41. Overall this category attracted 45 802 visitors and delegates to 273 events.

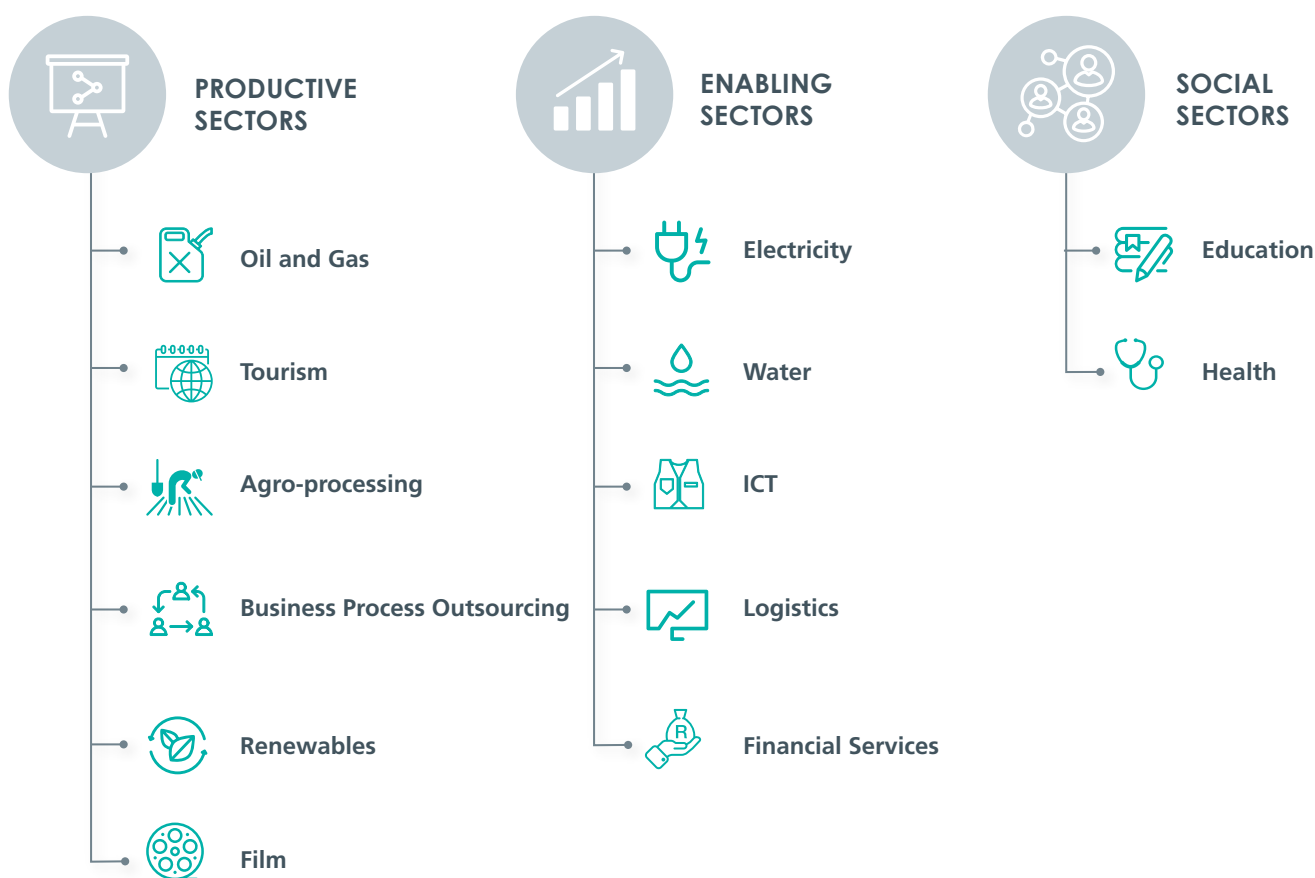
*Delegate days: the number of delegates attending an event multiplied by the duration of the event. Visitor days: the number of days delegates attend an event multiplied by the additional days they spend in the country as a result of that event, i.e. includes pre- and post-event stays, as well as stays of accompanying guests of delegates. (Grant Thornton definition, July 2018)

EVENT HIGHLIGHTS OF THE YEAR: DELIVERING ECONOMIC IMPACT

The case studies selected this year include events that represent our 15-year history. Others reflect the way the events we host connect and entertain people, while also offering potential for new collaborative opportunities and job creation. The broader lens is our contribution to both the regional and national economies. Finally, we have included two events that have made the most of our new CTICC 2 facility – including the conference that launched the new building. Please read on to find out more.

Key additional aspects to our work remain 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, several of which are also covered by our case studies this year (see diagram below).

THE PRIORITY SECTORS FOR TRADE AND INVESTMENT GROWTH IN THE WESTERN CAPE



The Province outlines three key trade and investment sector types: Productive, Enabling and Social sectors. These overlap and augment the catalytic sectors and knowledge economy focus areas that have previously been identified in this report.

- Productive sectors are specific and contribute to the region's competitive environment. The three key productive sectors that will be supported within the first three to five years of the current provincial growth strategy are **Oil and Gas**, **Tourism** and **Agro-processing**. A further three sectors will be focused on from year five to year ten. These sectors include **Business Process Outsourcing**, **Renewables** and **Film**.
- Enabling sectors act as powerful catalysts to accelerate the growth of the whole economy. Furthermore, they play a crucial role in the stimulation of economy-wide competitiveness. Enabling sectors include **Electricity**, **Water**, **ICT**, **Logistics** and **Financial Services**.
- Social sectors are the fundamental building blocks upon which the economy rests. They include **Education** and **Health**-related sectors.

CREATING OPPORTUNITIES TO HELP CAPETONIANS MAKE THEIR HOMES BEAUTIFUL



2017 CAPE TOWN HOMEMAKERS EXPO



Exhibition



Date:
31 August – 3 September 2017



Sector:
Design, Décor, Lifestyle



Visitors:
31 000

One such regular and popular exhibitor is Professional Wireworks, run by enterprising Zimbabwean craft worker, Professor Pedro. His business, formed in 2001, continues to grow by bringing simple wire to life in a range of colourful and entrancing forms, from paper-covered animals to wirework busts of former South African President Nelson Mandela, to delightful small brooches and toys. Now employing eight permanent artists, he can easily create additional part-time work for between ten and 20 more, depending on the orders that come in. This would not be possible without showcases like the HOMEMAKERS Expo.

This year the 2017 Cape Town HOMEMAKERS Expo offered visitors a magnificent, awe-inspiring array of home-related products and services, ranging from kitchens to outdoor living spaces to on-trend décor to crafts and even concrete designs. The theme was “A Tribute to Your Home”.

The HOMEMAKERS Expo has been running since 1994, for 25 years, with the first one being held in Johannesburg. Now they run four shows a year in Cape Town, Johannesburg, Pretoria and Port Elizabeth, reaching 125 000 visitors. They came to Cape Town in 1996 and moved into the brand-new CTICC in 2003. They have been here, loyally, ever since.

This year exhibitors had an exceptional expo, which bodes well for the home improvement industry. Many exhibitors sold out and others generated business leads that kept them busy for the rest of the year. One tangible benefit of the expo is that visitors get the chance to see and feel the products first hand and talk to experts about them. This is what the HOMEMAKERS Expo is all about.

“HOMEMAKERS Expo celebrates our 15th exhibition with the CTICC in 2018... it has been a pleasure working with the management team and the dedicated staff on the ground all these years!”

Sandy Edwards

Branch Manager & Expo Organiser,
Cape Town HOMEMAKERS Expo

MAKING SENSE OF CONTROVERSIAL CRYPTOCURRENCY OPPORTUNITIES



CRYPTOCURRENCY INVESTOR SUMMIT



Other Event



Date:
24 February 2018



Sector:
Finance / Fintech



Delegates:
700

In addition, the rapidly-evolving blockchain industry has captured the attention of organisations around the world, which is reflected in a growing demand for blockchain development skills, with companies like IBM, Visa, Microsoft, Ernst & Young, Intel, Siemens, Amazon and Ford already headhunting the best blockchain experts.

MyBroadband spoke to Gavin Marshall – founder of blockchain-based app Sharebits.io and an instructor at the Blockchain Academy in Cape Town – about the emerging blockchain job market and how people can get involved. His response was telling: “Coming on even the beginner course will give you a very good overview of the underlying technology and why it’s likely the most profound innovation since the Internet.”

We welcomed 700 delegates keen to learn more about investing and trading in cryptocurrency when it hosted the first conference dedicated to digital currencies in February 2018. This was the first event of its kind to be hosted in South Africa, according to the organisers.

The summit took place in the convention centre’s new expansion, CTICC 2, and was a free one-day event to help delegates understand what cryptocurrency is and why it is viewed by investors, banks and governments as the new gold rush. There is currently a huge buzz around digital currency, in particular blockchain technology and Bitcoin.

“Over the course of 2017, Bitcoin saw a large influx of global support. The value of one Bitcoin rose sharply from US\$900 in January to over US\$20 000 in December before levelling off again. With the growing interest and demand for understanding what cryptocurrency is... it has now caused a rush as the new thing to invest in,” said Natalie Ross, Marketing Executive of Success Resources South Africa.

“The CTICC offers a credible event space and platform for learning and knowledge sharing. Whether it’s the water crisis, cryptocurrency or renewable energy, it provides event space for debate and discovery of new opportunities.”

Natalie Ross

Marketing Executive, Success Resources South Africa

FIRST CTICC 2 EVENT HELPS KEEP SOUTH AFRICA SHOPPING



21ST ANNUAL CONGRESS OF THE SOUTH AFRICAN COUNCIL OF SHOPPING CENTRES (SACSC)



National Conference



Date:
13 – 15 September 2017



Sector:
Retail



Delegates:
1 500 delegates from over 500 companies

The South African Council of Shopping Centres has been with us from the start: we have been privileged to host nearly 20 events for them over our first 15 years. It has been a highly successful partnership. They also honoured us by taking the bold step to host the first event in our new building, CTICC 2, themed, ironically, “One”.

The SACSC Annual Congress is an event that not only offers the very best industry information and networking opportunities but also celebrates the country’s retail sector through its Spectrum Awards, which incorporate the Retail Design & Development Awards, recognising outstanding achievements in design and architecture, and the Footprint Awards, which recognise retail marketing initiatives.

In addition, in 2017, renowned television personalities Janez Vermeiren and Lunga Shabalala hosted the event, which saw South Africa’s very own Olympic gold medallist Wayde van Niekerk and his coach Ans Botha take to the stage and share their story of how two worlds collided, took on the world and won. All of which added sparkle to the congress’s “white & silver” gala event theme.

At the congress, 1 500 delegates representing more than 500 companies heard topical speakers from home and abroad

including New York-based Retail Futurist Howard Saunders; Investec’s Jeremy Gardiner; and CEO of British business consultancy Future Laboratory, Trevor Hardy. Trends and themes emphasised by these experts included personalisation, multi-channel marketing, pop-up stores, symbiotic leasing (e.g. coffee shops in sports stores), artificial intelligence, brand playgrounds, retailtainment, millennial marketing and service, service, service. All this to keep the retail industry growing with and ahead of the trends into a positive future.

The conclusion Saunders drew was telling: “I believe shopping is not only the engine of our economy, it’s the foundation of a thriving community. This isn’t some business-to-business thing, this is life.” And for the 820 000 people employed in South Africa’s challenged retail sector, it is very much life: indeed, it is bread on the table.

“The South African Council of Shopping Centres (SACSC) was proud to be the first organisation to host an event in the new CTICC 2 building in September 2017. They had a huge task to ensure all was delivered on time. With Julie-May at the helm as CEO, we were confident all would be delivered. From a hands-on CEO who was always on the floor, to an events team that was there to assist with any snags that came up, to a behind-the-scenes maintenance and security team – everyone went the extra mile and worked together with our team as ‘partners’ to ensure the success of our Annual Congress event. As a result of the service we received, we are returning in 2019 to host this event (which usually only comes to the Cape every three years). Based on my travel experience and our long-term relationship, I can honestly say that the CTICC offers a world-class venue, with world-class service delivery that can compete anywhere in the world.”

Amanda Stops

CEO, South African Council of Shopping Centres (SACSC)



SOUTH AFRICA'S GRANDEST GATHERING: GROWING OUR ECONOMY FOR 19 YEARS



19TH CAPE TOWN INTERNATIONAL JAZZ FESTIVAL



Special Event



Date:
23 & 24 March 2018



Sector:
Tourism and Events



Visitors:
35 000

young artists to understand, but also associated opportunities such as arts journalism and photojournalism.

As Khalid Abdulla, espAfrika's acting CEO, confirms: "The CTIJF annually provides countless employment and income opportunities for citizens in and around the Western Cape, as well as supporting numerous charitable outreaches through its long-established CSI programmes."

The festival is truly a catalyst for domestic and international tourism, as well as a highly responsible socio-economic asset to the country's music industry.

The Cape Town International Jazz Festival (CTIJF) was born on 31 March 2000 and moved to the CTICC in 2004. It has since become, in long-standing partnership with us, "Africa's Grandest Gathering", regularly attracting more than 35 000 festinos over two days, with its dazzling line-up of world-class musicians, many of whom are home-grown.

However, it is much more than a party, as Western Cape Economic Opportunities MEC Alan Winde reminds us: "The Cape Town International Jazz Festival, supported by Wesgro, is an important fixture on our events calendar. In 2016, in excess of 37 000 people attended the festival, offering a significant boost to growth and jobs in our tourism sector. This is in line with the province's Project Khulisa. Events are important economic catalysts and the Cape Town International Jazz Festival creates over 3 000 direct and indirect jobs."

Challenged by the water crisis last year, careful plans were made to minimise its impact on water consumption, while still ensuring its considerable economic contribution. Part of this is its annual youth-targeted Sustainable Training & Development workshop programme, where visiting musicians have promoted a range of music industry-related skills over the years – not just the business of music, which it is critical for

"The Cape Town International Jazz Festival, supported by Wesgro, is an important fixture on our events calendar. In 2016, in excess of 37 000 people attended the festival, offering a significant boost to growth and jobs in our tourism sector. This is in line with the province's Project Khulisa. Events are important economic catalysts and the Cape Town International Jazz Festival creates over 3 000 direct and indirect jobs."

Alan Winde

Western Cape Economic Opportunities Minister

CONTINUALLY CREATING OPPORTUNITIES FOR THE PACKAGING INDUSTRY TO GROW



PROPAK CAPE 2017



Trade Fair



Date:

24 – 26 October 2017



Sector:

Agro-processing



Visitors:

5 869

The closely-linked agro-processing sector is a key focus for the Western Cape economy, with growing export opportunities for food processing and agricultural products such as fruit, wine and olives. These are all consumers of packaging, plastics and printing; hence a new feature in 2017 – the Wine and Olive Oil Production Expo, with a specific focus on these ever-developing sectors and their packaging challenges.

The key outcomes were that exhibitors reported a number of off-the-floor sales; Cabletech Marketing sold a R500 000 Haitian flagship 90-tonne injection-moulding machine on the first day of the show; and Adex Plastics and Machinery were hot on their heels with the sale of one of their machines. This is an event that delivers and intends to continue to do so.

Propak is the premier South African platform showcasing the latest products, equipment, machinery and services across the packaging, food processing, plastics, printing and labelling industries. It has delivered on this mission for nearly two decades and for the last 12 years in partnership with the CTICC, since 2005.

This highly-respected trade fair is always busy, providing a networking opportunity for industry stakeholders, as well as the opportunity to learn about the latest trends and technologies from expert speakers. And it's comprehensive. More than 200 local and international exhibitors from ten different countries ensured that Propak Cape 2017 recorded its highest-ever number of product launches and exhibition floor sales. Interactive displays, live demonstrations and presentations at the free-to-attend seminar programme attracted more than 5 500 visitors over the three days.

Speakers included those advising how to access funding for the packaging, processing and plastics industries, to allow it to grow, while others provided vital input on the impact of the drought on the Western Cape agricultural sector in particular.

"We have had a fantastic first twelve years in partnership with the CTICC. We are confident there will be many more to come. Many of our exhibitors have already signed contracts to be back at Propak Cape at the CTICC in 2020, when the event turns 20. The focus for that show will be on innovation, converging technologies, sustainability and diversification, which will again highlight the various industry sectors and the crucial role they play in the economy. We have no doubt that the CTICC will do us proud for that upcoming birthday event."

Sven Smit

Event Director, Propak Cape

FIGHTING TOBACCO-CAUSED PRODUCTIVITY LOSS ACROSS THE WORLD



17TH WORLD CONFERENCE ON TOBACCO OR HEALTH (WCTOH)



International Conference



Date:

7 – 9 March 2018 (plus two days of pre-conference events)



Sector:

Health



Delegates:

2 400 from over 100 countries

WCTOH is the premier international conference on tobacco control and was held for the first time in Africa in 2018. It brought together a record-breaking 2 400 delegates from over 100 countries: ministers of health, academics, media, civil society, scientists and healthcare professionals.

The conference supported the resolution to integrate tobacco control into health and development goals under the theme of “Uniting the World for a Tobacco-Free Generation”. This is being realised through the World Health Organisation’s Framework Convention on Tobacco Control – the only international, legally-binding health treaty of the 21st century.

Tobacco use kills more than seven million people each year, including 900 000 who inhale second-hand smoke, and the vast majority of these deaths take place in low- and middle-income countries. Here in South Africa, over 42 100 South Africans are killed by tobacco-caused disease every year. Despite this, over 55 000 children (10 – 14 years old) and more than six million adults (15+ years old) continue to smoke in South Africa.

The global economic cost of smoking amounted to nearly US\$2 trillion and 2% of the world’s GDP in 2016 – money that could be far better spent on poverty alleviation and job creation. Indeed, tobacco use undermines sustainable development and lowers productivity, imposing a huge burden on governments, their economies and the environment.

At the conference, the South African Department of Health confirmed proposed new regulations including a blanket ban on indoor public smoking, as well as further restrictions on tobacco advertising and promotions. The Minister of Health, Dr Aaron Motsoaledi, was unrepentant about these moves to put health ahead of tobacco industry opposition. “There are many who will rail against this, complaining of government interference in their lives. The tobacco industry will accuse government of tampering with job creation. Are we creating these jobs for corpses?” he asked.

“The CTICC worked amazingly well for us. With the new addition, it was big enough to accommodate all our needs. Thanks to the flexibility of the venues we held award ceremonies in the auditoria, had intimate bilateral meetings and ran a full-scale exhibition. There was a constant energy and connection between the delegates because of the daylight. It was a fantastic experience.”

Emily Blitz

Global Director of Conferences and Summits, The Union



933 212

Total delegate and visitor days
in 2017/18

Organisation for Eastern and Southern
African Insurers - OESA



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 and Other Events and Film Shoots.





International Conferences



6 080

Highest attendance

Investing in African Mining Indaba 2018



32

International Conferences held
for the year under review



AfricaCom 2017



24th IMAST International Meeting on Advanced Spine Techniques

Month	Event	Attendees
Jul 2017	World Confederation for Physical Therapy Congress 2017	2 100
Jul 2017	Mid-Year Meeting of the International Neuropsychological Society	270
Jul 2017	24th IMAST International Meeting on Advanced Spine Techniques	800
Aug 2017	HPTN 084 Stakeholder Consultation	120
Aug 2017	World Scholar's Cup Global Round	580
Aug 2017	PMA Fresh Connections Southern Africa Conference & Trade Show	347
Aug 2017	40th Organisation for Eastern and Southern African Insurers Annual Conference	318
Sep 2017	Joint IAPSO-IAMAS-IGA Assembly 2017	967
Sep 2017	11th International Heavy Haul Railway Conference	906
Sep 2017	Global Evidence Summit 2017	1 346
Sep 2017	International Confederation of School Principals Convention 2017	1 116
Oct 2017	1st African Regional Symposium Rock Mechanics for Africa – AfriRock 2017	350
Oct 2017	International Round Square Conference 2017	1 218
Oct 2017	24th Africa Oil Week, Africa Upstream	1 200
Nov 2017	Conference of the International Union for the Scientific Study of Population 2017	1 978
Nov 2017	AfricaCom 2017	4 500
Dec 2017	World Congress of the International Society of Orthopaedic Surgery and Traumatology (SICOT) 2017	1 000
Dec 2017	3rd International Conference on Global Food Security	600
Dec 2017	29th International Texas Symposium on Relativistic Astrophysics	250
Dec 2017	8th International Young Water Professionals Conference	300
Feb 2018	LG InnoFest 2018	290
Feb 2018	Investing in African Mining Indaba 2018	6 080
Feb 2018	Microsoft Tech Summit, Cape Town	2 000
Feb 2018	HIV Vaccine Trials Network Conference 2018	300
Mar 2018	GTR Africa Trade & Export Finance Week	280
Mar 2018	17th World Conference on Tobacco or Health	2 400
Mar 2018	Bonds, Loans & Sukuk, Africa	280
Apr 2018	IFC 8th Global Private Education Conference	350
Apr 2018	Nokia MEA Sales Conference 2018	370
May 2018	Shire Summit 2018	115
May 2018	17th World Federation of Occupational Therapists Congress	2 025
Jun 2018	Adaptation Futures 2018	1 200



National Conferences



1 450

Highest attendance
CIGFARO Annual Conference 2017



35

National Conferences held
for the year under review



FTTH Council Africa Conference 2017



WISA Biennial Conference and Exhibition 2018

Month	Event	Attendees
Jul 2017	Jehu Conference 2017	60
Jul 2017	18th Annual BHF African Conference	900
Jul 2017	ABSIP 2nd Stockbroking Summit 2017	110
Aug 2017	SAICA Young Chartered Accountants Conference	80
Sep 2017	Nando's 30th Birthday Celebration	701
Sep 2017	Consumer Conference (BCD Travel)	220
Sep 2017	Annual Congress of the South African Council of Shopping Centres (SACSC)	1 500
Sep 2017	Gartner Symposium/ITxpo 2017	1 050
Sep 2017	Hospital Association of South Africa (HASA) Conference 2017	350
Oct 2017	FTTH Council Africa Conference 2017	669
Oct 2017	CIGFARO Annual Conference 2017	1 450
Oct 2017	Government Employees Medical Scheme 2017	400
Oct 2017	SAIPA National Conference 2017	500
Nov 2017	Windaba 2017	400
Nov 2017	African Agri Investment Indaba 2017	550
Nov 2017	CAJAC China-Africa International Arbitration Conference	210
Feb 2018	2nd Africa ORMCO Forum 2018	106
Feb 2018	Microsoft CSE Connect	120
Feb 2018	Mercedes-Benz After Sales Conference	188
Feb 2018	Pension Lawyers Association's 23rd Annual Conference	400
Feb 2018	DataCon Africa 2018	200
Mar 2018	RMB Global Markets (GM) Seminar	270
Mar 2018	SADC Conference	130
Mar 2018	Herbalife Southern Africa Leadership Development Weekend	600
Mar 2018	DHL eCommerce MoneyAfrica Conference and Exhibition	300
Mar 2018	CIGFARO Audit and Risk Indaba 2018	350
Apr 2018	South African Society of Anaesthesiologists (SASA) Congress 2018	565
Apr 2018	Anglo American Technical Conference	200
May 2018	South Africa Brand Summit 2018	87
May 2018	IT Leaders Africa Summit	120
Jun 2018	Sanlam Future Leaders Conference 2018	340
Jun 2018	Sanlam Senior Leaders Conference 2018	410
Jun 2018	Santam Broker and Leadership Conference	276
Jun 2018	COMESA-AEC-SADC Minister Meetings	120
Jun 2018	WISA Biennial Conference and Exhibition 2018	1 800



Exhibitions



45 560

Highest attendance

Old Mutual Two Oceans Marathon
Expo 2018



11

**Exhibitions held
for the year under review**



Decorex Cape Town 2018



Investec Cape Town Art Fair 2018



Month	Event	Attendees
Jul 2017	Electronic & Gaming Expo	10 100
Aug 2017	Cape Town HOMEMAKERS Expo 2017	31 000
Oct 2017	EduWeek Western Cape 2017	1 200
Oct 2017	MamaMagic, The Baby Expo	22 500
Feb 2018	Investec Cape Town Art Fair 2018	8 286
Mar 2018	Old Mutual Two Oceans Marathon Expo 2018	45 560
Apr 2018	Cape Vape Festival 2018	4 127
Apr 2018	Property Buyer Show Cape Town	500
Apr 2018	FanCon Cape Town Comic Con	6 000
Apr 2018	Decorex Cape Town 2018	36 600
May 2018	Radio786 – Ramadan & Lifestyle Expo	13 650



Special Events



35 000

Highest attendance

19th Cape Town International
Jazz Festival



121

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



Peppa Pig Live in South Africa



Old Mutual Trophy Wine Show 2018

Month	Event	Attendees
Jul 2017	Christ Embassy Church Sunday Service	1 500
Jul 2017	Walk Together Public Launch Event	800
Jul 2017	A Day with Ustadha Yasmin Mogahed: Everlasting Love and Seeking Solace	2 500
Sep 2017	Fit Factor SA & Generation Iron 2 Premier	200
Sep 2017	Bonitas Product Launch	420
Sep 2017	South African Students' Association Abu Sha'r Tour 2017	1 600
Sep 2017	Medshield Medical Scheme: Product Launch	120
Sep 2017	Christ Embassy Church Prayer Service	195
Oct 2017	Spectramed Medical Scheme 2018 Launch	35
Oct 2017	Veritas Cape Town Public Tasting	360
Oct 2017	Deloitte Veritas Cape Town Public Tasting	550
Oct 2017	Cape Town's Great Big Challah Bake	1 300
Nov 2017	Jireh Educare Concert 2017	1 500
Nov 2017	Kfm Music Saves the Day: Cape Town's First Dancing Billboard	200
Dec 2017	Riaad Moosa Life Begins Tour	1 500
Jan 2018	Viennese New Year's Concert	1 300
Feb 2018	DebiCheck Product Launch	120
Mar 2018	Winners Church Leadership Service	600
Mar 2018	N1 Restaurant Suppliers Launch	200
Mar 2018	19th Cape Town International Jazz Festival	35 000
Apr 2018	Peppa Pig Live in South Africa	10 300
Apr 2018	Rahat Fateh Ali Khan Live in Concert	3 410
Jun 2018	Christ Embassy Church Wednesday Night Service	233
Jun 2018	Old Mutual Trophy Wine Show 2018	520



Trade Fairs



5 869

Highest attendance
Propak Cape 2017



16

Trade Fairs held
for the year under review



Seamless Africa 2018



Oil & Gas Africa Conference & Exhibition 2017



Month	Event	Attendees
Jul 2017	Oil & Gas Africa Conference & Exhibition 2017	1 000
Aug 2017	Spar Trade Show 2017	500
Aug 2017	ViniMark Trade Fair Cape Town 2017	510
Aug 2017	Cape Construction Expo 2017	1 500
Aug 2017	My Business Expo and the Business Start-up Show	4 000
Oct 2017	Propak Cape 2017	5 869
Nov 2017	The International Apparel, Textile & Footwear Import Trade Show	600
Jan 2018	Cape Premier Yearling Sale 2018	1 450
Feb 2018	The Council for Leather Exports (CLE) Leather and Footwear Trade Expo in South Africa	263
Mar 2018	Seamless Africa 2018	260
Mar 2018	Sign Africa 2018	1 210
Apr 2018	Africa Travel Week 2018	5 165
May 2018	African Utility Week 2018	6 411
Jun 2018	Source Africa 2018	1 415
Jun 2018	EST Africa	300



Banquets



1 700

Highest attendance

EOH Mthombo Year End Function 2017



37

**Banquets held
for the year under review**



Matthew Goniwe Memorial High School Matric Ball



1000 Women 1 Voice Luncheon

Month	Event	Attendees
Jul 2017	Hisense #AimHigh Gala Dinner	260
Jul 2017	Livingstone Matric Ball	172
Aug 2017	Matthew Goniwe Memorial High School Matric Ball	80
Aug 2017	Direct Axis CEO Dinner	330
Aug 2017	SAICA Southern Region Annual Dinner 2017	375
Sep 2017	UCT PGDA Formal 2017	346
Oct 2017	Veritas Awards 2017	740
Oct 2017	Transnet – Port Managers Awards Event	200
Oct 2017	Western Cape Education Department Awards Banquet Dinner	392
Oct 2017	State Banquet Dinner	170
Nov 2017	FNB Legends 2017	250
Nov 2017	Moutai's Belt and Road Branding Initiative Banquet in South Africa	535
Nov 2017	Transnet Port Terminals – Long Service Awards	220
Nov 2017	Transnet National Port Authority – Long Service Awards	198
Nov 2017	University of Stellenbosch Business School, MBA Farewell (All Groups)	610
Nov 2017	ENS Africa Year End	320
Nov 2017	Metropolitan Health End Year Function	500
Dec 2017	EOH Mthombo Year End Function 2017	1 700
Dec 2017	DirectAxis Group Year End Celebration	780
Dec 2017	Woolworths Financial Services Year End	750
Dec 2017	Masoud Parker & Fatimah Zahrah Khan Wedding	1 350
Feb 2018	50th Birthday Dinner	142
Feb 2018	Nedbank Old Mutual Budget Speech Gala Dinner	320
Mar 2018	Standard Bank Mark of Excellence Awards	440
Mar 2018	Ubuntu Awards 2018	400
Mar 2018	Pre-Ubuntu Ministerial Luncheon	150
Apr 2018	FAIS Graduation	150
Apr 2018	WPC – Annual Graduation and Long Service Awards	124
May 2018	1000 Women 1 Voice Luncheon	1 070
May 2018	Sanlam 100 Years Centenary Ball	650
Jun 2018	Yearly Performance Review Meeting (YPRM) 2018	363



Other Events and Film Shoots



1 600

Highest attendance
Queen Mary III



273

Other Events and Film Shoots held
for the year under review



Western Cape Deloitte SA Budget Breakfast 2018



Ethics 4 All – the annual MPS ethics event 2017

Month	Event	Attendees
Jul 2017	Liberty Agile 2 Launch	450
Jul 2017	Cape Town Tourism Power Breakfast	100
Jul 2017	CELL C Commercial	30
Jul 2017	Herbalife Southern Africa Leadership Development Weekend	253
Aug 2017	EthiQal for All	600
Aug 2017	The Media Gathering	700
Aug 2017	Investec Wealth Forum 2017	800
Aug 2017	Dr John Demartini's Breakthrough Experience	106
Aug 2017	Annual Film Industry Briefing	120
Aug 2017	Nedbank CWG Auction Showcase Cape Town	700
Aug 2017	Lenovo MEA Innovation Summit	250
Aug 2017	STANLIB Asset Management Roadshow	250
Aug 2017	Employment Equity Workshop/Roadshow 2017	676
Aug 2017	Foundation for Alcohol-Related Research (FARR) AGM	130
Sep 2017	SMME Opportunity Roadshow	227
Sep 2017	Nedbank Roadshow 2017	360
Oct 2017	Standard Bank Business Breakfast in proud association with Smile 90.4FM	270
Oct 2017	Canon South Africa Roadshow	1 000
Oct 2017	Ethics 4 All – the annual MPS ethics event 2017	1 300
Nov 2017	ICE Season 2	300
Nov 2017	Complimentary Annual Tax Bill Update (SAICA)	550
Nov 2017	State of the Nation Breakfast	190
Nov 2017	15th Nelson Mandela Annual Lecture	750
Dec 2017	CFA Institute Exams – December 2017	420
Jan 2018	Growing Together: Nedbank VinPro Information Day	830
Jan 2018	Queen Mary III	1 600
Feb 2018	Joint Association Member Meeting (JAMMS)	650
Feb 2018	8th Wood Conference	599
Feb 2018	Ernst & Young Tax Budget Conference	200
Feb 2018	Grant Thornton Budget Speech 2018	800
Feb 2018	Western Cape Deloitte SA Budget Breakfast 2018	280
Feb 2018	Cryptocurrency Investor Summit	700
Mar 2018	Bloomberg Philanthropies Awards for Global Tobacco Control 2018	1 500
Mar 2018	Transnet Port Concession Roadshow	180
Mar 2018	State of the Nation Breakfast	320
Mar 2018	SPF Senior Management Conference – Sanlam	200
Apr 2018	Queen Elizabeth Passenger Turnaround	1 300
Apr 2018	Seminar on Investing in South Africa's Water Security and Biodiversity through Restoration: Nature Based Approach	40
May 2018	The Western Cape Funding Fair 2018	1 225
May 2018	Department of Human Settlements Breakfast	485
May 2018	Departmental Budget Vote Speech 2018	170
May 2018	Cloud in Practice 2018	380
Jun 2018	Credo Wealth International Conference	130
Jun 2018	South African Retail CTFL Masterplan Imbizo	134
Jun 2018	CFA Institute Exams – June 2018	800

MAKING EVENTS EVEN MORE MEMORABLE: NEW CONNECTIONS, NEW IDEAS

Passion, innovation and excellence are amongst our stated values. These lie at the heart of our delivery of consistently world-class service. Always searching for new ways to make event experiences more extraordinary and deepen client connections, we have this year introduced two major new innovations that have improved our service offering considerably: cashless payment at large entertainment events such as the Cape Town International Jazz Festival and waterwise menus, also premiered at the same event. Additional technology-based improvements are also listed below.



Our water-saving actions

Dynamic signage and better telephony: better, connected

The Dynamic signage system has been replaced with the latest technology available. The new system allows us to broadcast high-definition media, streaming video and display live social media feeds.

The telephony system has been upgraded from analogue to digital, making use of IP telephony. This upgrade has brought about enhanced mobility and flexibility for users.

Cashless payment systems: simply tap and pay

One risk associated with a large music festival is that of cash loss. We decided to seek out a solution that would not only address the risk but also improve the client experience and reduce the time to complete transactions. A product called Howler was identified and chosen as the cashless solution for the event.

When attendees arrived, they were directed to “recharge” stations where they were able to load cash onto the Howler card. Each visitor was given a card, onto which they loaded cash, resulting in no other cash or bank cards being required.

There were also a number of recharge stations around the venue, allowing guests to top up their cards. The cards were then used to pay for goods using “tap and pay” technology which automatically deducted the cost from the remaining balance on the card. The remaining card balance was also provided after each transaction.

Cash left over at the end of the event was able to be cashed out through the Howler website and transferred directly into attendees’ bank accounts at no extra cost.

Transactions were very quick as there was no need to handle change or maintain a float. Each vendor had a portable device, similar in size to a cellphone, which was used as an all-in-one

point-of-sale and payment solution. The solution worked seamlessly and was well received by guests.

Menus for waterwise times

At the Cape Town International Jazz Festival in March 2018, a waterwise menu was introduced to support our water awareness strategy. Executive Chef Roberto de Carvalho approached this interesting challenge in several ways.

He steered clear of items which required him to use too much water to cook or soak items – such as rice, pasta and grains. He opted for more grilled and roasted items than boiled or poached. Some items were more clear-cut while others were not – but the rationale behind these items was more that they were cooked in one pot, which required less dishwashing.

He did not use chafing dishes (steam/water-based warming dishes) as hot items were waiter-served as bowl food in compostable, disposable receptacles. Then, where possible, he tried to stick to waterwise vegetables (those that take the least amount of water to grow) such as artichokes, beets, carrots, chard, kale, peas, spring onions, spinach, garlic and herbs including bay leaf, lemon verbena, oregano, rosemary, sage and thyme.

Proteins were also a challenge but he kept the quantities of meat down, while ensuring he had something appetising to give to our clients – bearing in mind that, for example, on average it takes 42 000 litres of water to produce just 1kg of beef. In contrast, it only takes 168 litres of water to produce 1kg of tomatoes, which is still a lot of water, but a lot less.

As Chef Roberto says: “The whole process gave us considerable food for thought about how our food is produced and how we might reduce water consumption by what we eat and how we cook it. We can now offer similar menus to our clients if requested.”

Coffee on the Circle: a new place to connect

The new coffee shop, Coffee on the Circle, has opened on the ground floor of CTICC 2. It looks out onto the Walter Sisulu Circle at the confluence of South Africa's oldest street – the Heerengracht – and Walter Sisulu Avenue, which runs down the side of CTICC 1 towards the V&A Waterfront. Sibling to its more established sister, Coffee on the Square in CTICC 1, Coffee on the Circle has been specifically designed to invite the city in, opening out onto the street on one side and embracing the soaring height and presence of CTICC 2's architecture on the other.

The capacity for Coffee on the Circle is 140 guests, with 110 inside and 30 outside on the terrace. It is open daily from 7am to 5pm. However, there is greater flexibility of service during events.

Coffee on the Circle caters for clients and the general public looking for a full-service restaurant with breakfast and lunch offerings, as well as people who require on-the-move take-away food. It also serves great coffee, a selection of teas and offers a diverse café-style seasonally-inspired menu.

The capacity for Coffee on the Circle is 140 guests, with 110 inside and 30 outside on the terrace.



Coffee on the Circle



Coffee on the Square



Distell Inter Hotel Challenge

Team CTICC launches the Distell Inter Hotel Challenge

This year was the third year that we have been part of the Distell Inter Hotel Challenge and we were honoured to play host to the competition by welcoming the best of the hotel industry to the CTICC for the regional launch on 6 April 2018.

The Challenge brought together up-and-coming chefs and wine stewards from the country's most prestigious hotels and venues to learn with and compete against each other. The launch banquet was a collaborative affair, connecting executive chefs from participating hotels together to serve a five-course, haute cuisine menu.

Executive Chef Roberto de Carvalho and his team set high standards for themselves not just for this competition, which has put us firmly on the gourmet map, but for every event they cater for. We host an average of 500 conferences, banquets, meetings, matric balls, weddings, exhibitions, trade fairs and other events per year – and we cater for them all.

This year, with competitors from a wide range of leading hotels, the competition was intense. Having won both Most Promising Chef and Most Promising Wine Steward awards last year, we were up for the challenge.

The Distell Inter Hotel Challenge is a talent development programme combined with a cook-off competition for young

food and beverage specialists. It includes various culinary and wine challenges, as well as intensive training workshops on subjects such as communication, nutrition, kitchen hygiene, wine and food pairing and cooking techniques, all which will contribute to growth in the hospitality industry.

Our team consisted of Marco Marongiu, candidate baker; Jamie Forknall, candidate wine steward; and Silungile Moyakhe, candidate chef. Chef Roberto believed this team would bring our best game and that this unique learning opportunity could only improve their skills set and enhance our service to clients. A win-win equation that also fulfilled some of our key economic commitments – skills, career and sector development.

Team CTICC showed that convention food is anything but conventional. Upping our culinary game by participating in competitions of this type can only improve our restaurants, cuisine offerings, our businesses and our industry as a whole.



Executive Chef Roberto de Carvalho and his team set high standards for themselves not just for this competition, which has put us firmly on the gourmet map, but for every event they cater for.

Achieving ISO 22000 Food Safety Management System certification

During the year under review, we prepared ourselves for an additional international standard, the ISO 22000 Food Safety Management System (FSMS). Having worked hard to create an FSMS that comprehensively met the requirements, our certification is now complete. This provides customer confidence in our food offering, which is becoming increasingly important as clients demand safe food and kitchens require safe ingredients.

This globally recognised accreditation covers every step of the food chain, from farm to fork, and ensures food is consistently safe to source, prepare and consume.

Our food safety team had to ensure that a range of daily and monthly hygiene, food preparation and maintenance monitoring protocols were in place in the CTICC's kitchens, consistently and meticulously. This included ensuring all staff were comprehensively trained in the requirements of the ISO 22000: 2005 Management System and that all the paperwork and auditing necessary to qualify for the certification was completed timeously and accurately.

We congratulate the team for successfully navigating this rigorous process and securing this important international food safety certification.



ECONOMIC CONTRIBUTION

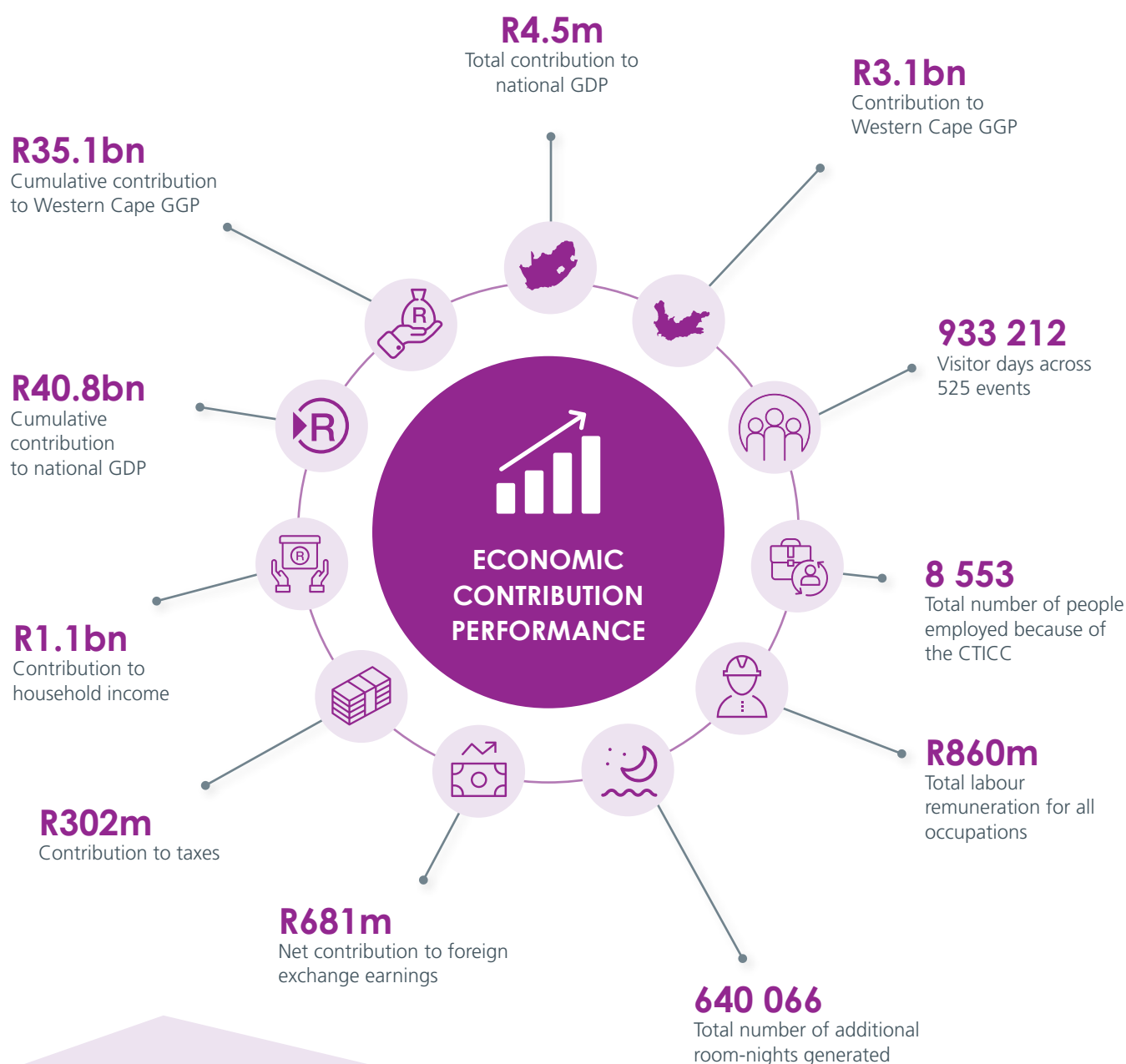


ECONOMIC IMPACT: STIMULATING JOB CREATION

HOW OUR FINANCIAL PERFORMANCE GROWS OUR ECONOMY

We are committed to driving economic growth, as well as generating employment. We achieve this by attracting business events and investment to the city and the province, all of which contribute to their combined economies.

In 2017/18 our revenue increased by 14.2% from R215.6m to R246.3m, while EBITDA also rose well above our target of R24.3m to R57.2m. These were very pleasing figures, which, in turn, increased our key economic contribution performance as follows:



These figures are reported on in more detail on the following pages. Our financial and economic performance has many facets and benefits the city, the province and the country in numerous ways.

New metrics for 2017/18 financial year.

CONNECTING OUR ECONOMIC PERFORMANCE TO THE FUTURE

Over its first 15 years, we have become an invaluable contributor to the economic strategies of the City and the Province in a range of ways. The construction of the convention centre, both CTICC 1 and CTICC 2, has generated jobs and provided opportunities for enterprise and skills development. Our regular capital expenditure provides opportunities for local businesses, SMMEs and, increasingly, women-owned enterprises. These in turn build networks and connections that build businesses such as the one featured on page 69.

In addition, the sales revenue generated through the events we host contributes to the sustainability of both the centre and the tourism sector as a whole. Spending in and around the city by delegates and visitors attending events also boosts the local economy. This, in turn, leads to increased tourism as convention delegates stay on or return as tourists (sometimes termed “induced tourism”). All of this contributes to the economic impact we have on the South African economy.

Our prime economic contribution is to business tourism, which in turn supports the knowledge economy. This is based on the region’s role as a hub of academic and research excellence. Four of the country’s leading universities are based in the Western Cape and the Province is also a centre for financial services, renewable energy and technology start-ups. Many of our events – now boosted by CTICC 2 – intersect with these sectors.

It is possible to make links here with the Fourth Industrial Revolution, sometimes termed Industry 4.0, where disruptive technologies will come to the fore. This shift towards a “revolution of digital and physical technologies” looks likely to influence every economy, every sector and every home.

This is the future which will soon make artificial intelligence, 3D printing, cryptocurrencies, robotics, gene editing, self-driving cars and talking fridges part of our everyday lives. As our own Western Cape Minister of Economic Opportunities,

Alan Winde, has concluded: “It is the kind of change that is fundamentally altering almost every sector of our economy, and it is change that demands an urgent response from us. The onset of the Fourth Industrial Revolution, characterised by the confluence of a wave of new technologies, is reconfiguring the world we live in.” (*Western Cape Department of Economic Development and Tourism Budget Speech, 29 March 2018*)

It is our intention to crest this new wave and facilitate the sort of economic growth that must accompany it. Our focus on technological, medical and financial services events has been consistent over the years and we fully intend to maximise our role in these arenas. This year we have hosted the World Confederation for Physical Therapy, the International Young Water Professionals Conference and the 29th International Texas Symposium on Relativist Astrophysics, as well as the first-ever Cryptocurrency Investor Summit.

In addition, Trade Fairs and Exhibitions, all of which touch on technology, allow local businesses to interact with international roleplayers, scope out the competition and absorb market trends. Trade shows such as AfricaCom, eCommerce Africa, Source Africa and the Gartner Symposium/ITxpo Africa all tap into these elements of the knowledge economy and Industry 4.0.

Our commitment to boosting economic growth into the future is demonstrated by almost every aspect of its activities – across all its event segments, the focus areas of the knowledge economy and the challenges and opportunities the Fourth Industrial Revolution represents.

OUR ECONOMIC CONTRIBUTION IN DETAIL

The table below shows our overall macroeconomic contribution to the Province (GGP) and the Country (GDP), including jobs created, contributions to tax and household income, forex earnings and delegate and visitor days.

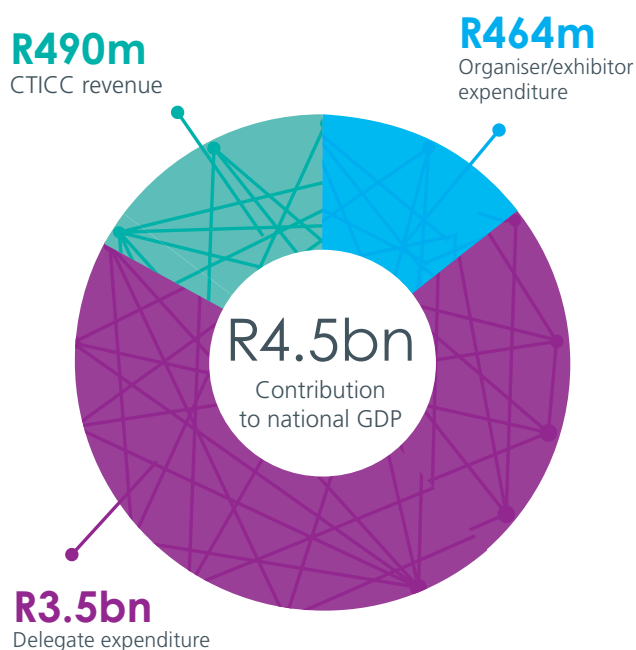
Table 1: Macroeconomic contribution for the 2017/18 financial year

Rand million, 2018 prices	Direct	GDP	GGP	WC jobs	SA jobs	Taxes	Household income	Net forex earnings	Delegate and visitor days*
CTICC revenue	246	490	480	912	929				
Organiser/exhibitor expenditure	232	464	361	685	875				
Delegate expenditure	1 793	3 570	2 266	4 317	6 749				
Total contribution 2018	2 271	4 524	3 107	5 914	8 553	302	1 063	681	933 212

*Visitor days: the number of days delegates attend an event multiplied by the additional days they spend in the country as a result of that event, i.e. includes pre- and post-event stays, as well as stays of accompanying guests of delegates. (*Grant Thornton definition, July 2018*)

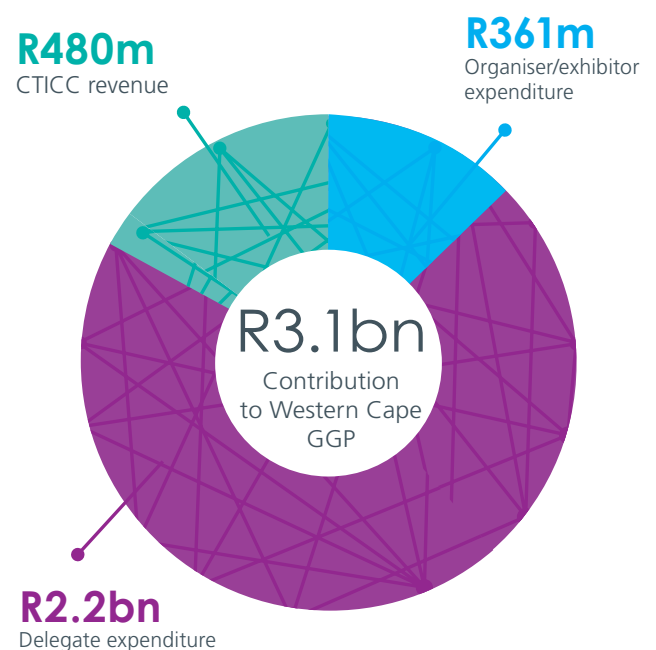
Our contribution to South African Gross Domestic Product (GDP)

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 South African citizens. It is also the most comprehensive measure of our macroeconomic effect. GDP is important not just because it is income but also because income has the capacity to create and increase wealth. Contribution to GDP has increased 21.6% to R4.5bn compared to the previous year's reported figure of R3.7bn. Our cumulative contribution to national GDP to date has now reached R40.8bn.



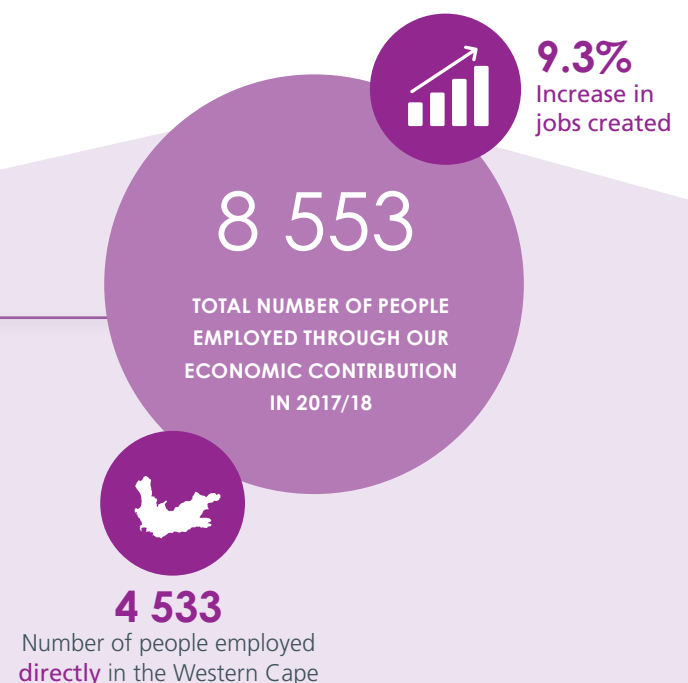
Our contribution to Western Cape Gross Geographic Product (GGP)

Much of the direct economic benefit we contribute is felt within the Western Cape, but other provinces benefit as well, which is what makes up the GDP figure below. For example, as tourists spend money in hotels outside the province, they in turn use materials sourced from other parts of the country and from abroad. This is why the contribution to Western Cape GGP is somewhat less than its contribution to national GDP. The direct economic contribution to the Western Cape GGP remained stable during the 2017/18 financial year at R3.1bn. Our cumulative contribution to regional GGP has now topped R35.1bn.



Our contribution to job creation

In times of economic stress and high unemployment, where jobs are under threat, our contribution to job creation is particularly important. A total of 8 553 people were employed through our economic contribution in 2017/18, compared to the previous year's reported figure of 7 824 people – a 9.3% increase. Of the 8 553 total, 4 533 people were employed directly in the Western Cape (53%).

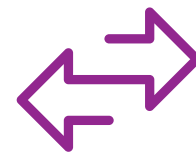




**1st African Regional
Symposium Rock Mechanics
for Africa – AfriRock 2017**

Our contribution to foreign exchange earnings

Delegates and visitors to the Western Cape make an important contribution to foreign exchange earnings, particularly if they extend their stay beyond the event they attend. This positive contribution by international delegates, exhibitors and their guests brought in an estimated net total foreign exchange income of R681.3m in 2017/18, compared to the R645m reported in 2016/17.



R681.3m

**Estimated net total foreign
exchange income in 2017/18**



R301.6m

**Projected total tax contribution
for the year 2017/18**

Our contribution to taxes

Our tax contribution to national welfare is part of our economic contribution to the national investment in housing, health, education and transport infrastructure – which benefits all South Africans. Our tax contribution is comprised of PAYE on payroll, corporate taxes and VAT on direct spend. The total tax contribution for the year 2017/18 is projected at R301.6m. Cumulatively, it is estimated that since construction in 2003 over R4bn has been generated in taxes generated by our activities.



R1.1bn

**Contributed to household
income in the 2017/18 year**

Our contribution to household income

Making positive contributions to household incomes is an essential component in the maintenance of a healthy economy and society. We understand the need to grow active communities through job creation as this means regular household income. We are delighted to say that we contributed R1.1bn to household income in the 2017/18 year. This contribution has amounted to R19.5bn cumulatively since 2003.

KEY PERFORMANCE INDICATORS GEARED TO SOCIO-ECONOMIC CONTRIBUTION

The Key Performance Indicators (KPIs) agreed between Convenco and the City ensure that we fulfil our role as a core strategic asset of the City of Cape Town, the Western Cape Government and SunWest International. The responsibility to deliver on these targets is closely aligned with the centre's economic contribution mandate. The KPIs inform not just our overall performance but the roles, goals and performance assessment criteria of each department, team and individual who works with us.

Category	Measurement	Target 2018	Actual 2018
Events	Number of international events hosted compared to annual budgeted target	32	32
Events	Number of events hosted compared to annual budgeted target	535	525
Human Capital Development	Percentage of annual total salary cost spent on training of permanent and temporary staff	5%	6%
Customer Centricity and Service Excellence	78% of minimum aggregate score for all internal departments and external suppliers	78%	85%
Supply Chain Procurement from B-BBEE Suppliers measured in terms of the B-BBEE Act	Percentage spend not lower than 60%	60%	87%
Student Programme: Contribution to Youth Employment and Skills Development	Number of student opportunities provided	6	12
Graduate Programme: Contribution to Youth Employment and Skills Development	Number of graduate opportunities provided	6	13
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%	83%
Budget			
Operating Profit ⁽¹⁾	Percentage achievement of annual budgeted operating profit ⁽¹⁾	100%	235%
Capital Projects	Percentage of the total number of capital projects for the year completed or committed	85%	89%
Quality Product Offering	Maintain five-star tourism grading through effective management of maintenance and quality of service delivery	Achieve five-star Tourism Grading Council rating	Five-star Tourism Grading Council Rating Achieved
Capital Expenditure (CTICC East Expansion Programme)	Percentage of total capital expenditure spend	95%	91%
Governance			
External Audit Report	Clean audit report ⁽²⁾	Clean audit	Clean audit
Minimum Competency Level	Number of senior managers registered for MFMA competency course	7	7
Financial Ratios			
Ratio of Cost Coverage maintained (RCC)	Total cash and investments, less restricted cash for monthly operating expenditure	RCC = 6.4 times	14.2 times
Net Debtors to Annual Income (ND)	Net current debtors divided by total operating revenue ⁽³⁾	ND = 6.8%	4%
Debt (Total Borrowings) to Annual Operating Revenue (DC)	Total annual operating revenue divided by total debt	DC = 0%	0%

KPI definitions and notes

- (1) Operating profit is defined as earnings before interest, taxation, depreciation and amortisation.
- (2) Clean audit is defined as an unqualified audit report with no material findings on compliance with laws, regulations and predetermined objectives.
- (3) Net debtors is defined as gross debtors less refunds.

TRANSFORMING B-BBEE ENTERPRISES THROUGH CONSISTENT SUPPORT



CTICC 2 open for business

We have improved on our B-BBEE spend by 4.6% for the 2017/18 financial year, if the effect of the now-completed contract with our main Level 2 B-BBEE CTICC 2 contractor is taken into consideration.*

In line with our ongoing commitment to help develop businesses in our sector and beyond, our B-BBEE spend for the 2017/18 financial year was R288m, which equates to 87% of net spend.

Building local enterprises in the Western Cape

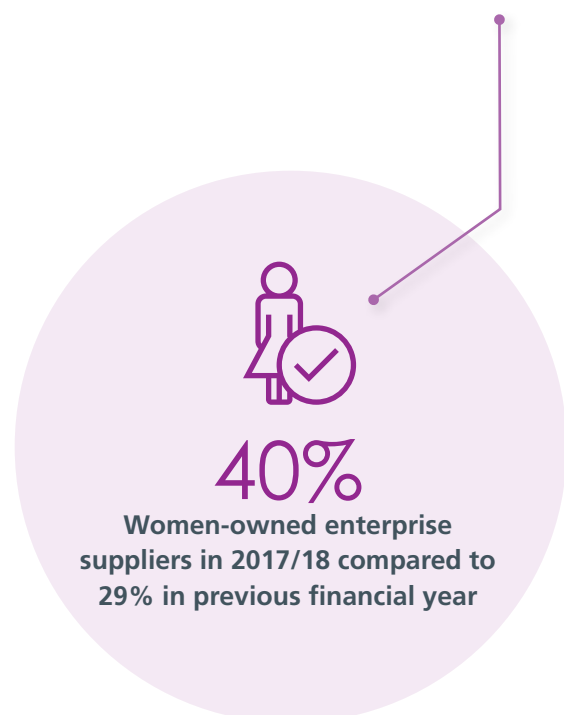
Where possible, we use local suppliers, provided they meet the MFMA regulations and our competitive pricing requirements. We define local suppliers as those situated within the borders of the Western Cape. Locally-based procurement for the year totalled R282.2m, which was 86% of the total procurement spend.



*Our appointed contractor for CTICC 2, Aveng Africa Limited, has a Level 2 B-BBEE contribution and is 89.5% black owned: their payments represented a significantly higher percentage of the total spend during the 2016/17 financial year compared to 2017/18.

Significantly supporting women-owned enterprises

It is estimated that every job held by a woman feeds eight people, a fact that drives our supplier selection decisions. Women-owned enterprise suppliers comprised a considerably increased 40% of the total supplier base in the year under review, compared to 29% in 2016/17. An example of how we have helped build women-owned enterprises over our first 15 years follows on the next page.





Lucinda Blanchard, Conquest Maintenance Services

Conquest and the CTICC: delivering professional facilities and building management services for 20 years

Lucinda Blanchard is the sole member of Conquest Maintenance Services, which opened its doors in 1997. Their company mission strives to “always be part of the solution, not part of the problem”.

They offer a range of building maintenance services, up to and including a full facilities management offering including preparation of photographic building and land reports, written specifications, quotations and repair solutions.

They specialise in the rehabilitation of existing structures, especially buildings built of steel, brick and concrete. They further offer airless spray painting of walls and roofs, as well as the specialised application of road markings. They have rigorous quality and safety standards.

Conquest started working with us in 2005, after receiving a call from a Duty Manager to assist with building maintenance. Since then, they have quickly learned how the hospitality industry deals with daily maintenance issues and how to resolve them while keeping the facility operational – a vital aspect for a business that is often required to be operational 24/7.



“Having the CTICC as a client has benefited us when applying for tenders for new work. Our client base has widened. In the future, we see the company continuing to work on tenders while building the company by moving more staff into senior positions, in order for them to start running the day-to-day activities. None of this would have been possible without the support of clients like the CTICC.”

Lucinda Blanchard

Sole Member/Managing Director,
Conquest Maintenance Services

CAPITAL EXPENDITURE: MAINTAINING EXCELLENCE, DELIVERING QUALITY SOLUTIONS



Installation of our reverse osmosis desalination plant

Capital expenditure is an annual commitment. Maintenance can never be neglected, particularly in a coastal climate. In addition, technology advances at increasing speed, as do client requirements. Our intention is always to be ahead of the curve. For these reasons, we continuously invest in the maintenance and upgrading of our facilities. This year key projects included the following refurbishments and improvements to various aspects of our facilities:

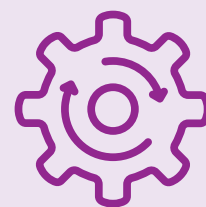
- CCTV infrastructure (CTICC 1);
- Dynamic signage system (CTICC 1 and CTICC 2);
- Access control system (CTICC 1);
- Point-of-sale system (CTICC 1 and CTICC 2);
- Passive and active network infrastructure (CTICC 1);
- Wireless infrastructure (CTICC 1);
- Telephony system (CTICC 1 and CTICC 2);
- Ballroom carpets (CTICC 1).

In addition, we invested in the design of the Old Pier Café, the refurbishment of escalators and our water harvesting project, all in CTICC 1.

A number of projects, like the refurbishment of the Old Pier Café and the comprehensive re-tiling of the gallery areas of CTICC 1, need to be executed over two financial years to ensure there is minimal impact on ongoing operations. This kind of work is best implemented over the end-of-year holiday period, when the centre is traditionally quieter and potential disruption minimised.

In the year under review, we have also been able to save a significant amount on planned capital expenditure through

intensive investigation into the optimal solution that will enable us to become self-reliant in terms of water supply. Initially, we were expecting to have to cater for the provision of three water supply systems: a desalination plant, a plant to extract water from the air and additional equipment and water storage for our fire suppression system. We will be able to cater for all these needs through the implementation of one dedicated reverse osmosis desalination plant, which will extract ground water and purify it to SANS approved standards for drinking water.



We continuously invest in the maintenance and upgrading of our facilities.



World Congress of the International Society
of Orthopaedic Surgery and Traumatology

SOCIAL CONTRIBUTION



PEOPLE AND COMMUNITY: MAKING LASTING CONNECTIONS

CREATING OPPORTUNITIES THROUGH OUR LOCAL COMMUNITY PARTNERS

The year in review saw us increase the value of our corporate social responsibility spend considerably to R1.8m. This figure raises the value of our social contribution by 50%. Activations were focused on income generation and water conservation, both key concerns for our Western Cape economy.

Our events and donations continued to concentrate on linkages with our five established local community partners (LCPs), supporting and developing the communities where they work. We are committed to giving back to the community and striving to be a responsible corporate citizen, making connections not only at an organisational level, but also at an individual level. Many of our staff volunteer extensively both in our own activations and in their own communities.

During the 2017/18 financial year, we participated in more than 40 activations. These covered donations of food, water and equipment; sponsorship of venues for events; staff-supported volunteering activities focused on particular awareness-raising campaigns. These included National Water Week, Earth Day, Africa Day, Youth Day, World AIDS Day and the annual 16 Days of Activism Against Gender-Based Violence, as well as breast cancer and heart health awareness drives. A selection of these campaigns is covered in more detail on the following pages.



R1 836 718

Grand total CSR spend
for the year 2017/18

50%

Increase in CSR contribution
for the year 2017/18

OUR COMMUNITY CONNECTIONS: WHO THEY ARE AND HOW WE HELP THEM

Our LCPs strive to develop their communities through a broad spectrum of interventions. These include educational and income-generation initiatives, as well as feeding schemes and urban gardening projects. We have five LCPs in all. They are Abalimi Bezekhaya, Foundation for Alcohol-Related Research (FARR), Ikhyala Le Themba, Journey of Enrichment and Mothers Unite. They mostly work regionally in the Greater Cape Town area – predominantly in Khayelitsha, Lavender Hill and Mitchells Plain.

The following section outlines each of their missions and how we link in with their work.

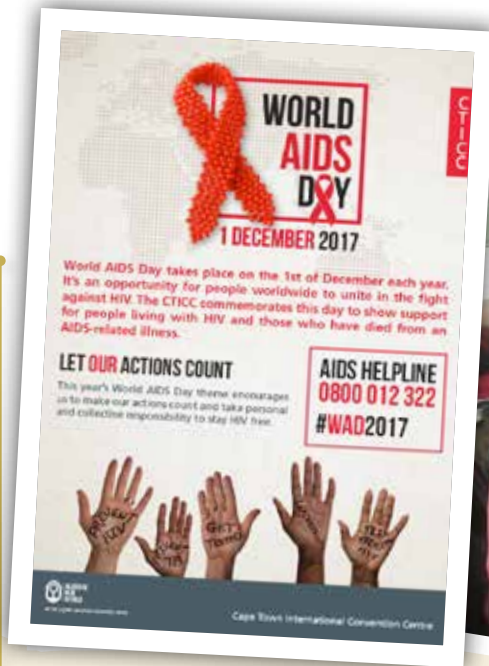
Abalimi Bezekhaya

Their mission is: "To empower the disadvantaged through urban agriculture and environmental programmes and projects. We support our target group's ability to replicate their success and transform their lives in their urban and rural environments. Abalimi Bezekhaya assists by providing the following support services: project implementation, agricultural and horticultural commodities, training, organisation-building, facilitation of partnerships, research and monitoring and evaluation."

Abalimi Bezekhaya promotes small-scale urban farming, as our Earth Day and National Water Week interventions demonstrate (see pages 83 and 84). This year we have primarily leveraged partnerships in conjunction with Abalimi Bezekhaya. Apart from the growing of vegetables and fruit, they also work with a number of community organisations, including the Mzamo Women Skills Development. We have benefited from this partnership in the year under review through the following awareness-raising campaigns:



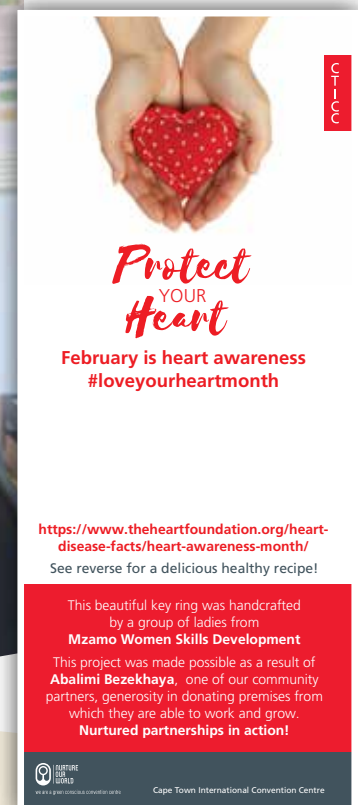
For the 16 Days of Activism Against Gender-Based Violence, we procured beaded bracelets through an organisation introduced to us by Abalimi Bezekhaya. Staff received the bracelets and information cards as part of an internal awareness campaign to support the 16 Days of Activism Against Gender-Based Violence campaign. The beaded items were made by a group of women from Mzamo Women Skills Development, an income-generating project, which is based at the Abalimi Bezekhaya Khayelitsha Garden Centre. The purchase supported our job creation drive.



On World AIDS Day staff were given beaded ribbons as part of an internal awareness campaign around HIV and AIDS. The beaded items were also made by women from Mzamo Women Skills Development. The purchase further supported our job creation drive.



As part of the Protect Your Heart Campaign, we gave a beaded heart keyring and information cards to staff on Valentine's Day. The beaded items were also made by the women from Mzamo Women Skills Development.



Foundation for Alcohol-Related Research (FARR)

Their mission is: "To become the household name in our field by implementing impactful direct community interventions, driving social awareness programmes, conducting world-class research and by offering a full range of diagnosis, management, support, training, educational and mentorship services whilst maintaining our high ethics and respecting human and child rights."

We supported FARR's work in a variety of ways in the year under review. Its research into Foetal Alcohol Spectrum Disorder (FASD) is invaluable to the communities it supports. Our contribution this year included:



Sponsoring and hosting their AGM, which we have done since 2014.



Supporting an awareness campaign around breast cancer awareness, which raised funds for resources for early childhood development centres. Ribbons and information cards were handed out to our staff and we matched the total donation made to FARR (ECD); FARR used the funds to provide each of their ECD centres in the West Coast region with much-needed kettles.



Donating 100 bottles of water for FARR's International Foetal Alcohol Syndrome Day Walk (7 September).



Helping promote a campaign focused on FASD on International Foetal Alcohol Syndrome Day (9 September), reminding people through the observation of 90 seconds of silence and various linked activities that during the nine months of pregnancy, alcohol should be avoided for the sake of the health of the child.

Mothers Unite

Their mission is: "To embrace children holistically by providing nutritional, educational and emotional support, as well as positive alternatives to anti-social behaviour."

We worked closely with Mothers Unite to provide support to the mothers and children it works with. Income generation is one aspect of the organisation's work. We assisted by:



Donating five skips of wood to Mothers Unite, which were used for carpentry – making items to sell – as well as for home improvement purposes. Please see pages 108 and 109 for more details of this highly successful CSR initiative.



Creation of fabric shopper bags. These were distributed to our staff on Earth Day. These bags supported our plastic reduction theme of 2018 and were ordered from Mothers Unite's sewing workshop. We donated material for the bags and branded badges. Mothers Unite runs sewing workshops for women, empowering them to earn additional income and thus creating jobs in the community.

Ikhaya Le Themba

Their mission is: "To meet the spiritual and practical needs of communities through mentoring, training and effective distribution of resources. Our mission is to reach the poor through selfless love and service. It is the foundation of everything we do."

We primarily assisted Ikhaya Le Themba (ILT) by:

Supporting a primary school it is linked to, Yomelela Primary School in Khayelitsha. It made donations to the school during various campaigns, including stationery and hand sanitiser dispensers. 50 learners from the school were invited to our 15th birthday party.



Purchasing products from Ikhaya Le Themba as gifts for guests at our AGM: they produce a natural skincare range made by employees at ILT. By supporting this initiative, we are helping ILT develop skills and create jobs in the communities they support.



Journey of Enrichment

Their mission is: "To extend our reach beyond food supply and to empower our societies in order to enable them to live their most optimal, self-sufficient lives and create the best future for younger generations through education and life skills."

We worked with Journey of Enrichment by supporting and donating to their food-related campaigns. We supported their initiatives in the following ways:



Supported their Food for Change event, which fed 1 000 people. At this initiative, staff put on their aprons and helped out with cooking and serving.



In celebration of Africa Day (25 May), the CTICC partnered with Journey of Enrichment to run a Food Parcel Drive for families in need. CTICC created a mailer sent to all staff and CTICC suppliers to support the drive by donating non-perishable food items and donating their time to help the organisation create the food parcels. On Africa Day the staff, suppliers and Journey of Enrichment gathered in Exhibition Hall 4 to volunteer their time to pack the 116 food parcels which was handed to Journey of Enrichment towards their drive. The LCP distributed the parcels to less fortunate families within the Cape Town region.

MAKING CONNECTIONS THROUGH OUR COMMUNITY ACTIVATIONS

There are also a number of other community organisations we regularly support, over and above our five main local community partners. Details of these activations follow.



Santa Shoebox Project

This activation involved us sponsoring a large venue where the general public could drop off their "shoe boxes" filled with goodies to well established Santa Shoebox charity who in turn donated the gifts to children throughout South Africa.



International Day of Older Persons

For International Day of Older Persons, the CTICC procured toiletry care packs and food parcels and staff visited the elderly members of the Ruyterwacht Senior Centre to hand out the items.



Oasis Recycling

The Sinai trust client hosted a large scale Cape Town Challah Bake event on 25 October 2017 and requested that we recycle waste generated at the event to charity. The waste was taken to Oasis Recycling in Lansdowne, a non-profit organisation which provides people with mental disabilities with employment. The items we delivered were recycled at the institution and money generated from the waste. This is the first time we have partnered on such a project.



PinkDrive Breast Cancer Awareness Day

Pink ribbons were procured from PinkDrive, which provides a free women's health service to the medically uninsured in South Africa. This innovative and important breast cancer organisation is powering South Africa's first and only mobile mammography and education units throughout our country, driving home the fact that "early detection saves lives" – and bringing that message into communities where education and resources are scarce.



Jireh Community Projects

We provided the venue free of charge for this happy annual children's concert for Jireh Community Projects and have done so since 2016. The Jireh Centre in Mitchell's Plain is the largest Early Childhood Development Centre in the Western Cape, which makes this talent showcase quite a blockbuster. An enthusiastic audience of well over 1 000 proud parents, families and friends attended this extremely popular and much-loved community event. It is also an amazing and confidence-building experience for the youngsters themselves. In addition, on the day we donated 200 cupcakes for the children and caps for the ushers.





WE CELEBRATED 15 YEARS BY THROWING A PARTY FOR 100 YOUNG CHILDREN FROM PREVIOUSLY DISADVANTAGED COMMUNITIES



CTICC's 15 birthday kids party

On 28 June 2018, we turned 15. What better way to celebrate than with the children of Cape Town.

Our guests were six- and seven-year-old children from previously disadvantaged communities. They enjoyed a day filled with scrumptious food and fun dancing. Festivities included face painting, jumping castles, balloon-making with clowns, train rides, cupcake decorating and an interactive puppet show. There were also colouring-in tables and, most fun of all, a photo booth.

Connecting with two of our LCPs, **Ikhaya Le Themba** and **Journey of Enrichment**, through their links with local schools, we invited 100 children from Mitchells Plain Primary School in Mitchells Plain and Yomelela Primary School in Khayelitsha.

Our staff joined the children and ten teachers to ensure that the children had a great time. When they arrived, there was much excitement – but the biggest surprise was that we had invited firemen from the Cape Town Fire and Rescue Service. They brought along their demonstration fire engine, allowing the children to explore the fire engine and ask them questions.

The children came from a range of different cultural and economic backgrounds but fun is a universal language and there were no barriers that day. The children were particularly enthusiastic when the interactive puppet show started.

At the end of the highly energised day, we provided the children with a going-away present made up of a backpack containing healthy snacks, toiletries, stationery and play dough. They also received their printed photo taken at the photo booth, as well as their decorated cupcakes and colouring-in artwork. It was a highly memorable 15th birthday.



Our guests were six- and seven-year-old children from previously disadvantaged communities. They enjoyed a day filled with scrumptious food and fun dancing.





SPONSORSHIP

NATIONAL WATER WEEK: RAISING AWARENESS ABOUT SAVING WATER



National Water Week with Abalimi Bezekhaya



Mothers Unite water week



During National Water Week we made a concerted effort to raise awareness around water conservation with our local community partners. We visited Yomelela Primary School, which is connected to and supported by **Ikhaya Le Themba**, and donated water usage awareness posters, 140 child-friendly hand sanitisers, juice and snack bars to the learners. We also contributed 50 litres of hand sanitiser and ten dispensers, which were installed by our maintenance staff.

Our next stop was **Mothers Unite**, where we also gave away awareness posters and 475 litres of water, including water dispensers. We further donated 150 cupcakes for the children.

Finally, we visited **Abalimi Bezekhaya**, where we dropped off ten cubic metres of cow manure for their Khayelitsha garden, to help their garden grow and keep the moisture in the soil during the dry season.



Mothers Unite, where we also donated water usage awareness posters and 475 litres of water.



Abalimi Bezekhaya, where we donated 10m³ of cow manure for their Khayelitsha garden.



Ikhaya Le Themba, where we donated water usage awareness posters, 140 child-friendly hand sanitisers, juice and snack bars to the learners.



SPONSORSHIP

EARTH DAY: CONNECTING TO A MORE SUSTAINABLE WORLD



Earth Day with Journey of Enrichment, Abalimi Bezekhaya
and Mitchells Plain Primary School



Earth Day with FARR

On Earth Day, thoughts turned to saving energy and taking care of our planet. Again, we initiated a range of activities in partnership with our local community partners. **Journey of Enrichment's** partner school, Mitchells Plain Primary School, got a new urban vegetable garden for Earth Day, courtesy of our fellow LCP, **Abalimi Bezekhaya**, who we appointed to provide them with gardening services and tutorials to help the school look after the garden. We also provided the school with gardening goods and participants with refreshments as they gardened.

For our **Foundation for Alcohol-Related Research (FARR)** local community partner, we donated ten recycling bins which were distributed to five crèches supported by FARR, as well as promoting the work of the organisation in an awareness mailer to our staff.



***Journey of Enrichment's** partner school, Mitchells Plain Primary School, got a new urban vegetable garden for Earth Day, courtesy of our fellow LCP, **Abalimi Bezekhaya**, who we appointed to provide them with gardening services*



DANCING AND HOOPING IT UP FOR YOUTH DAY



African Grassroot Hoops



Youth Day with Mothers Unite

On Youth Day we invited, transported, hosted and entertained 35 Mothers Unite Grade 6 to 12 learners to a high-energy day of events at the CTICC – including top-class basketball and hip-hop dancing. Our staff volunteered to host and engage with the youth by taking them on site inspections of our buildings and providing meals for the youth throughout the day. There was also an interactive presentation and workshop done for the youth by staff, including a fun quiz, which caused a lot of excitement, since there were spot prizes up for grabs.

The first of the two main youth-focused events was the African Grassroot Hoops Youth Day Classic – the main Basketball Tournament event for 2018 for local NGO African Grassroots Hoops. The organisation brings basketball to underprivileged areas in Cape Town by building or revamping public basketball courts. The tournament made history by being the first youth international basketball tournament we have hosted.

The second event we hosted that day was the National Hip Hop & Performing Arts Championship. This was organised by the South African Body of Dance (SABOD), a non-profit organisation that trains dancers to improve their dance technique. They also run workshops and competitions to bring dance to people who are not able to access established studios. This was the centre of our Youth Day celebrations and we supported this event by donating the venue.

At the end of an action-packed day, the learners and accompanying facilitators received goodie bags containing gifts, stationery packs, branded items such as beanies, scarves, cooler bags, snacks and backpacks.

TRAINING: THE IMPORTANCE OF INVESTING IN PEOPLE



CTICC invests in permanent, contract and temporary staff

Our commitment to training and development remained strong in the year under review, with a substantial R3.1m training spend. Our training embraced the four key aspects of skills development: statutory, vocational, developmental and values-based leadership. The training we offered covered all these areas and focused mainly on capacity building, leadership development, team building, change management, effective employee engagement and coaching.

Connecting with and growing talent and skills

We have a 15-year track record in training and skills transfer, as can be seen by the training and promotion stories on the following pages, as well as the long-service staff stories on pages 30 and 31. This commitment to skills development has a direct and long-term impact on the events and hospitality sectors.

In terms of our own staff complement, we have also been able to increase the quantity of jobs that we offer, largely due to the opening of CTICC 2 in September 2017.



R3.1m
Training spend in the
year under review





83%

KPI target achieved for
2017/18

**Employee Relations Forum (ERF),
Employment Equity and Training Committee (EE&TC)**

Labour practices, employment equity and employee engagement

Employees can put forward any concerns regarding Conditions of Employment, Employment Equity and Skills Development with their line managers. We also have 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, which has direct access to the CEO if required.

In addition, we have an Employment Equity and Training Committee (EE&TC) that ensures that the company complies with the Employment Equity (EE) Act and the Skills Development (SD) Act. The committee monitors the progress and the effective implementation of the EE Plan, as well as the Workplace Skills Plan (WSP), which is submitted to the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA). The 2018 WSP was submitted to CATHSSETA in April 2018.

The committee also ensures and monitors that we complete the annual EE report for approval by the Board and submission to the Department of Labour. The 2018 EE Plan was submitted to the Department of Labour in December 2017. This includes two sector training programmes – a Student Placement Programme and a Graduate Programme: see details on pages 94 and 95.

The committee communicates both the EE Plan and the WSP to other employees and monitors its implementation. The appointed EE Senior Manager completes the monthly workforce profile which is used to monitor underrepresented groups in line with the Economically Active Population (EAP).

As at 30 June 2018, out of 23 employees in the three highest levels of management, i.e. EXCO, MANCO and Leadership, we had 19 employees from the designated groups across the following departments: Commercial & Business Development, Human Resources, Finance/Procurement, and Food & Beverage and Operations. The percentage figure is 83%. This exceeds the 80% set KPI target and complies with the municipal entity's approved EE Plan.

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

SHORT-TERM TRAINING



From left to right:
Hilda Samuels, Gretha Geldenhuys, Carmen Rudd
Edwin Manshon, Bianca van Niekerk, Michael Collins

Short-term training is essential for upgrading staff skills so that the service we deliver is always 100% up to date and world-class. Over the review period, 104 individual staff members received short-term training. We highlight four of these in the case studies that follow.

Edwin Manshon, Finance Administrator: not too old to learn something new

Training:

CIMA Certificate in Business Accounting: Financial Accounting Course, IBTC (International Business and Training College)

Period: 13 weeks

Joined CTICC: March 2017

Edwin Manshon is in the Finance department and says the highlight of his CIMA training was learning to look at his department and the work it does holistically: how all the pieces fit together to form one complete image, not only from a finance perspective, but also from a company viewpoint.

The course has also given him a better understanding of why he does what he does each day and that those daily tasks form part of the bigger picture when it comes to financial month end. He also hopes the training will give him opportunities to grow.

Finally, in response to being asked why he believes it is important to upskill yourself, he says: "Simply, you are never too old to learn something new."

Michael Collins, Sales Executive: National: appreciating the holistic view

Training:

New Managers Development Programme, University of Stellenbosch

Period: Six weeks

Joined CTICC: June 2016

Michael Collins is in the National Sales department and the University of Stellenbosch programme has significantly expanded his horizons. The communication module gave him valuable insights into what kind of person he is and how he could best deal with clients' different personalities. The finance module gave him the skills to analyse the sales process value chain. Finally, he benefited greatly from the networking with his classmates and learning from their life experience and workplace challenges.

He believes the New Managers Development Programme has improved his job performance because he is now able to be a more effective and efficient sales person for the company.

"I gained valuable tools to build and maintain valuable relationships with my clients. I also have a holistic view of the CTICC in its entirety as a business and how my actions and decisions affect the business."

He sees the world as constantly evolving and believes you need to be ahead of changes so that you can be an asset for

your company and, most importantly, for your clients. It is his opinion that clients book a venue because of the relationship they build with people and not only by virtue of the venue. He concludes: "Upskilling yourself grows your confidence and ensures you are constantly challenged."

Gretha Geldenhuys, Sales Executive: National: harnessing endless opportunities

Training:

UFI-EMD (Exhibition Management Degree), UFI – The Global Association of the Exhibition Industry

Period: Five months

Joined CTICC: January 2017

Gretha Geldenhuys is in the National Sales department and has completed her UFI Exhibition Management degree this year. She says she has now gained more knowledge regarding the entire planning process around an exhibition, from concept through planning and risk management to sales, marketing and execution.

In addition, the course has taught her that keeping up to date with sector trends will allow her to understand clients'

requirements better and supply them with the assistance they need to execute a successful event that will be able to return annually, with a clear indication of growth.

When it comes to sales, she has learned to use the correct tools to optimise closing a sale, to drive team spirit and, as a result, reach overall targets. She has also realised that there are endless opportunities for growth in the exhibition industry and is very excited to become a part of the solution to some industry-related concerns.

She is very clear about the need to upskill:

"We have to become a leading specialist in an industry that is rapidly growing and improving. We therefore have to adapt and constantly teach ourselves new skills in order to gain new knowledge of the events industry. Improving our skills and constantly working to better ourselves goes hand-in-hand with networking with like-minded individuals that inspire you to aim higher."

Hilda Samuels, Business Systems Administrator: committed to paying it forward

Training:

COBIT 5 Foundation Course – AIPC Certification, MasterGrade IT

Period: Three full days including an exam

Joined CTICC: June 2015

Hilda Samuels is in the ICT department as a Business Systems Administrator and that means she knows how to harness technology to achieve better results; but there is always more to learn. Her recent course taught her that information is a key resource in the workplace and that technology is all-pervasive across all aspects of business and personal life.

In that context, she has learned that a particular challenge in governing and managing information is the need to find ways for IT and the business to share information, while still complying with governance standards. This has involved learning about the different information enablers – what helps people understand each other. It also occurred to her that there is a difference between management and governance, and that it is vital to analyse and meet stakeholder needs in a way that gives them the information they require.

The training has helped her complete our ICT Strategic Plan project, which was one of the first implemented in the company. It allowed her to view information and frustrations received from the other departments from a fresh perspective and decide how she could best help them from a system

perspective, while still meeting governance and performance requirements.

She says the training will help her in the future in several ways, by:

- Assisting operational processes and meeting stakeholder needs (internal and external);
- Translating stakeholder needs into specific actionable and customised IT-related goals;
- Managing the performance of our business systems and improving reporting;
- Turning the data we collect daily into a data mining tool to improve service delivery to all our clients.

She believes that part of her role is to pay it forward. As she puts it: "Being a child of the Eastern Cape, my vision in life is to make a difference to the underprivileged youth by providing them with a guide to the opportunities that information technology can offer."

Human rights and anti-corruption training

During the year under review, we had no incidents of discrimination and as such no actions were required.

Our anti-corruption policy was updated in the year under review. Our whistle-blowing guidelines were also revised. In addition, our staff conference and strategic planning processes included a values workshop that augmented our current values with the new value of "caring". For more details, see page 99.

LONG-TERM TRAINING



The CTICC Team of graduates and students

Long-term training ensures depth of skills at management level and provides opportunities for networking and collaboration with both local and international colleagues over longer periods of time, usually six months or more. Long-term training also assists in promoting staff retention, upgrading skills, the achievement of long-term career goals and the growth of the hospitality sector as a whole.

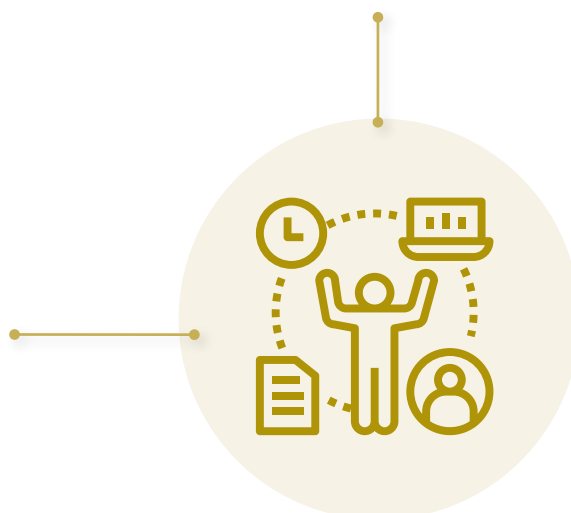
In addition to the short-term training listed above, we have provided two permanent staff members, Dave Logie (ICT Manager) and Alshanthe Smith (Event Executive), with two different forms of long-term training: Dave studied the Senior Management Development Programme and Alshanthe benefited from the National Diploma in Event Management.

Senior managers also attended training to ensure the maintenance of specific financial and supply chain competencies in line with Municipal Regulations on Minimum Competency Levels. This compliance forms part of the KPIs listed on page 67.

Long-term training also assists in promoting staff retention, upgrading skills, the achievement of long-term career goals and the growth of the hospitality sector as a whole.

Encouraging professional development through targeted programmes

We promote staff development by sending staff to take part in international knowledge exchange programmes, professional development programmes, seminars and meetings. They provide a targeted, industry-specific form of training and development, as well as a platform to create and maintain high-level international industry networks that will help promote both the CTICC and staff members. Programme providers include AIPC, ICCA and UFI – all international event management associations which run programmes of varying lengths and topics throughout the year. Several of our senior management and sales staff have benefited from such long-term programmes, as outlined on the following page.



Bianca van Niekerk, Business Development Manager: National: embracing the virtual reality meeting space

Training:

Professional Development for Convention Centre Managers, AIPC Academy

Period: Six days

Joined CTICC: July 2010

Bianca van Niekerk's AIPC training was a great platform to meet with industry colleagues from around the globe to better understand the ins and outs of convention centres, not just from a business development perspective, but from an operations and facility manager's perspective. She learned that:

- Innovation is key to being the best in the industry. Technology is becoming a key focus area for meetings and we need to be at the forefront of technology as a state-of-the-art facility;
- Experiences are important: clients and delegates wish to experience the destination city as a whole through the venue they select;
- Delegate needs and behaviours are always changing and we need to be able to adapt.

Reflecting on her training, she said:

"What conferences used to be ten years ago – just a simple meeting space with equipment and a service offering – has completely changed. We are now moving into the virtual reality meeting space."

In that context, the training has made her understand that building relationships is better than just delivering your sales pitch and that it is vital to focus on personalisation to retain clients, as no client or event is the same. A further realisation for her was the importance of cross-departmental training, as it ensures that everyone's focus in the organisation is centred on the client.

AIPC Academy, 18 – 23 February 2018, Brussels, Belgium

This demanding six-day training programme was designed to impart a wider knowledge of the industry and prepare staff for high-level management. It brings together a wide variety of presenters and guest speakers from all over the world, covering topical issues such as managing and communicating financial performance; addressing current market challenges; optimising facilities and services; accommodating changing workplace trends; and protecting data against cyber attack. It also included group innovation presentations created during the week's academy. It was attended by our Business Development Manager: National, Bianca van Niekerk, whose training case study features above.

AIPC Sales & Marketing Summit, 13 May 2018, 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 big picture: industry trends impacting centre marketing;
- A view from the top;
- Business sector perspectives: what's ahead?;
- The customer journey and business process mapping;
- What's keeping centre CEOs awake at night?;
- New data protection regulations.

The CEO Julie-May Ellingson, Robert Hatton-Jones, General Manager: Commercial & Business Development and Jaclyn Petzer, Sales Executive: International attended.

AIPC Facility Operations Summit, 26 – 27 November 2017, 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 theme was "Challenging your Business Practice".

The summit's topics included:

- What new survey data is telling us about operational priorities;
- Benchmarking for improved performance;
- How technology is driving change for venues and events;
- Enhancing the customer journey and implementing change;
- Mini hackathon: developing new solutions to key issues;
- How success is being redefined in today's market;
- Applying the lessons: how can centre operations best respond to new client needs and expectations?;
- CEO forum: what's keeping centre CEOs awake at night?;
- Addressing the security risks of the future.

The General Manager: Facilities & Operations, Craig Barrington, attended the summit.

PROMOTING CAREER GROWTH: THE PEOPLE CONNECTION



We consider promotion from within to be key to both employee satisfaction and retention. It also promotes high service levels and superior productivity. Below we introduce you to three of our most recent movers and shakers in a range of departments.

From left to right: Ernest van Sitters, Minette Cloete, Tracy Mkhize

Ernest van Sitters: keeping his “passion-flame” burning

Former position:

Conference & Exhibition Services Administrator

Current position:

Operation Services Coordinator

Joined CTICC: February 2017

Promoted: August 2017

Ernest van Sitters believes he had shown himself to be an enthusiastic learner and proactive employee in his former position and that this, coupled with his passion for the industry, attention to detail and a good understanding of all our departments, is what got him the promotion to Operation Services Coordinator.

The promotion has led to him being part of the operational planning and service delivery for the Cape Town International Jazz Festival. “This,” he says, “has been one of my highlights

this year. It is simply startling to see how everything comes together to stage ‘Africa’s grandest gathering’ and to be part of its execution as host venue.”

Another highlight was being the Operation Services Coordinator for the first consumer show to be hosted in CTICC 2: MamaMagic, The Baby Expo. He reports that it was exciting to have been part of the “maiden-voyage-event” of what, he believes, has become Africa’s most attractive conference and exhibition venue.

Ernest’s approach is fired with a passion which comes from working for his mother when she had her events catering company. It grew as he became involved in planning and helping with the execution of other events... even his own wedding! Most importantly, what keeps his “passion-flame” burning is assisting with managing client relationships, as well as ensuring client satisfaction. He is also driven by the more challenging aspects of his job that require him to be proactive, goal-orientated and meticulous.



He feels immensely privileged to be part of an amazing team that holds dear the principle that hard work is fundamentally virtuous. In addition to that, delivering a service for a client to the best of his ability and being thanked for a “job well done” are amongst the greatest motivations for him.



“This has been one of my highlights this year. It is simply startling to see how everything comes together to stage ‘Africa’s grandest gathering’ and to be part of its execution as host venue.”

Ernest van Sitters on being part of the operational planning and service delivery for the Cape Town International Jazz Festival.

Minette Cloete: a hands-on, can-do team builder

Former position:

Event Service Manager

Current position:

Sales Executive: National

Joined CTICC: January 2016

Promoted: August 2017

Minette Cloete is a hands-on, can-do person. She believes her practical experience of events, good inter-departmental relationships and can-do attitude helped secure her promotion. She has also worked internationally and for various local hospitality establishments, where she gained extensive knowledge of not only being the client, but also executing events. This wide combination of experience contributed to her move to the National Sales department.

This is where she says her passion comes from:

“I am motivated by the challenge that comes with seeking to understand client needs and how best to fulfil them within the CTICC’s abilities. I also thrive on working with short-term deadlines and respond well to being constantly challenged by my peers.”

Since her promotion, she has sought to improve her new department by focusing on raising the spirit of the team, implementing company-wide inter-departmental training and shadowing, all of which has helped her gain a better understanding of the other departments’ perspectives.

Tracy Mkhize: growing people with passion for 20 years

Former position:

Assistant General Manager: Operations - Food & Beverage

Current position:

General Manager: Operations - Food & Beverage

Joined CTICC: July 2016

Promoted: August 2017

Tracy Mkhize has worked in the hospitality industry for nearly 20 years and believes that the skills she has acquired, coupled with her passion for the industry and her leadership qualities, have led to her promotion to General Manager: Operations - Food & Beverage .

Rising to that challenge has meant much to her. Now she is passionately involved in:

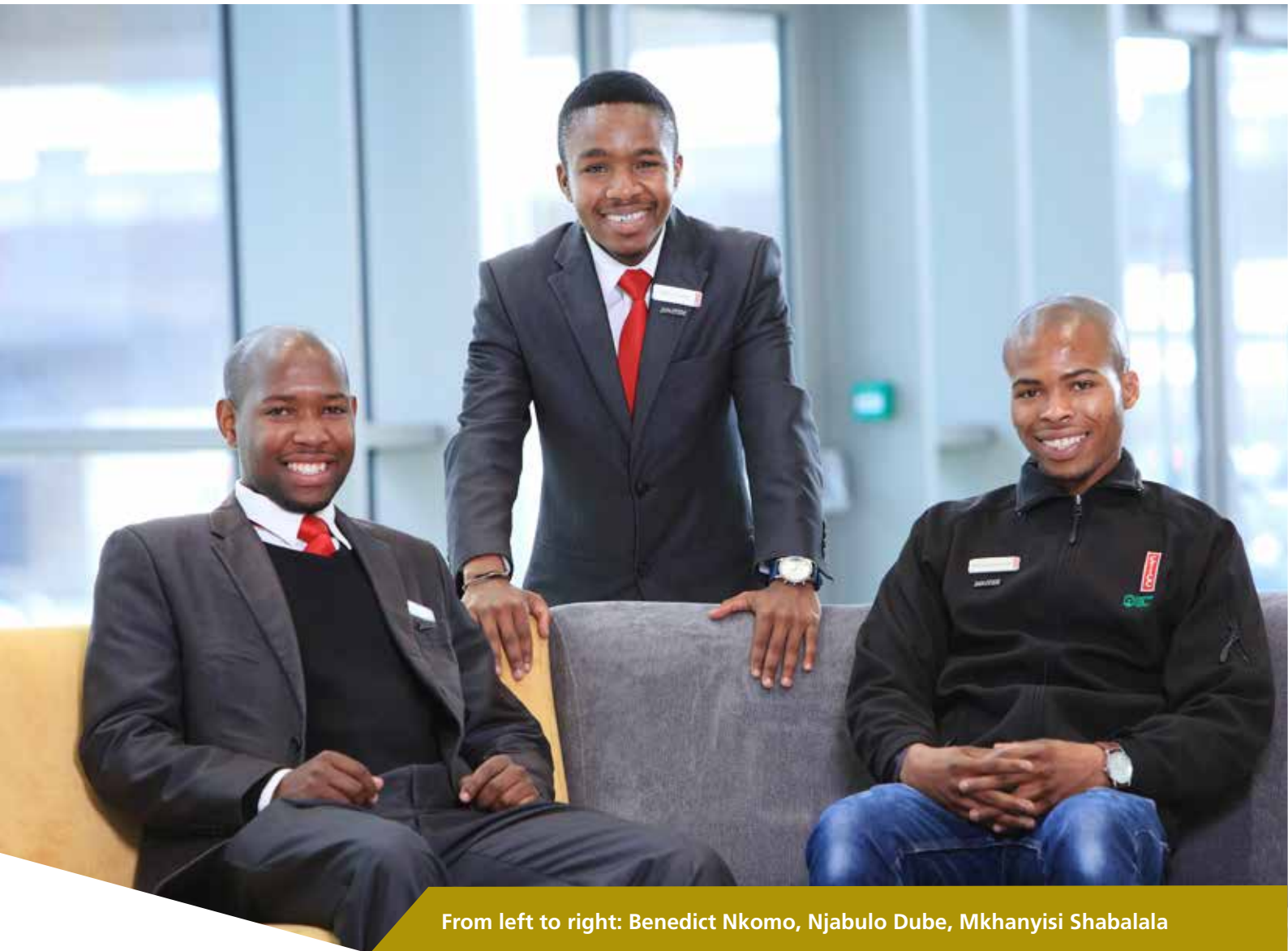
- Playing a bigger role in the formulation of her department’s strategic plan;
- Ensuring that our overall business strategic direction is implemented;
- Coordinating the functions of the Executive Chef, Banqueting Manager, Beverage Manager and the Back-of-House Manager to ensure clients’ needs are met;
- Procuring food and beverage fixtures, furniture and equipment for CTICC 2;
- Spearheading the introduction of the first-ever cashless payment system at the Cape Town International Jazz Festival, resulting in streamlining of processes (see page 58);
- Creating water-wise food and beverage offerings in light of the drought being experienced in the Western Cape (see page 58);
- Increasing and growing the Food & Beverage revenues by 21.4% compared to the prior year;
- Initiating our drive to have us ISO 22000 (Food Safety Management System) certified (see page 61).

She is also part of the company’s Employment Equity and Training Committee (EE&TC) and serves as its appointed Senior EE&TC Manager. Being on these committees affords her the opportunity to deal directly with issues concerning staff, as well as engaging with other committee members to come up with solutions to HR issues.

This links to what ultimately drives her.

“Leading and connecting with people to help them reach or exceed their potential motivates me. As a member of our executive team, I am also motivated by knowing that I am involved in the development and implementation of our strategic plan, which in turn will ensure the sustainability and growth of the company and the way it delivers on its mission and purpose,” she says.

GETTING THE FOUNDATIONS RIGHT: THE STUDENT CONNECTION



From left to right: Benedict Nkomo, Njabulo Dube, Mkhanyisi Shabalala

We run two programmes for competent and capable young people keen to build a career in the event management and hospitality sectors.

- Firstly, our Student Placement Programme provides high-performing students studying hospitality-related courses the chance to join us on a six-month training scheme while they are studying. This sort of practical placement helps students complete their studies by giving them access to relevant experience.
- Secondly, our Graduate Programme offers high-performing graduates a full year's employment contract. These graduate students learn about every aspect of our business during that year. This gives them a complete overview of both the event management process and the hospitality sector as a whole.

Graduate trainees making headway

Our student and graduate programmes provide invaluable in-service training and work experience to young people starting their careers in the hospitality and event management sectors – across various departments and skill sets in the sector. In the year under review, there were 12 students on our Student Placement Programme, as well as 13 graduates on our Graduate Programme. Three of our graduates tell the stories of their progress on the following page.

We also have two other CTICC graduates, Kwanele Makhaye and Nosihle Zondo, who were at the world-famous Walt Disney World Resort in the United States. They reported that they were taking our world-class service levels to Florida, USA and taught them the South African way!



Njabulo Dube

Training journey:

Food & Beverage Graduate, now Coffee Shop Supervisor:
Coffee on the Square

Course:

National Diploma in Catering Management

Why did you decide to apply for graduate training?

Hospitality is something that I grew up with as my mom owned a public phone container, where people would pay to use the phone. That is where I get my ambition for connecting and working with people. I was also inspired by a friend who was a chef but was not qualified. He later studied at university and is now a successful Banqueting Manager at a five-star hotel in Durban. He was a huge influence and inspiration to me.

How has being a CTICC graduate helped you in your career path?

It has made a huge difference in my life and career. I wanted the opportunity to showcase my skills and I was lucky enough to be able to prove myself due to my placement as a Food & Beverage Graduate. I was even luckier to be employed permanently after my placement.

Working here had always been one of my ambitions and my preferred placement in 2015 for my Work Integrated Learning (WIL), which I obtained a distinction for. Now my training and experience has given me the confidence and ability to deal with challenges by taking on a junior management position.

What are your day-to-day responsibilities?

- To monitor service standards according to set Standard Operating Procedures (SOPs) together with customer satisfaction, and to take appropriate action on customer complaints;
- Maintaining operating staffing cost within budgeted parameters;
- Inventory management;
- Ensuring service delivery and communication by consulting with clients on ways to improve service delivery;
- Controlling daily stock counts, spot-checking floats periodically, and preparing staff handovers after each shift change.

Mkhanyisi Shabalala

Training journey:

Electrical Graduate, now Junior Electrical Technician

Course:

National Diploma in Electrical Engineering

Why did you decide to study that course?

I have always had a passion for technology and engineering since I was a teenager. I loved fixing stuff and finding solutions.

How has being placed at the CTICC as a graduate helped you in your career path?

The CTICC has helped me a lot already by introducing me to the real world, the working world. It wasn't easy at the start but my communication skills have improved. I have also been given an opportunity to lead in a team and that has helped me a lot.

What are your day-to-day responsibilities?

Mostly it will be preventative maintenance inside and around the building. Also the installation of power for events and functions in line with regulations.

How will this placement help you in future?

It will really help me a lot because it will give me an opportunity to learn more about this field (electrical engineering). It will also allow me to further my studies because I now have the required work experience to do my trade test.

Benedict Nkomo

Training journey:

Food & Beverage Graduate, now Assistant Event Services Manager: Beverage

Course:

National Diploma in Hospitality Management

How has being placed at the CTICC as a graduate helped you in your career path?

Being here for my graduate programme gave me in-depth knowledge of the events and hospitality industry. It has given me a great deal of experience and taught me how to deal with a huge number of people at the same time and still offer a world-class service.

What are your day-to-day responsibilities?

I am responsible for the beverage department's equipment and all bar set-ups, as well as getting quotations for new equipment or repairs.

How will this placement help you in future?

This placement will help me fulfil the role that I have been fortunate enough to be offered as an Assistant Manager. In particular, it will give me hands-on experience of the state-of-the-art internal management systems here, which will help me do my job better.

CONNECTING WITH OUR CUSTOMERS THROUGH COMPREHENSIVE FEEDBACK



Food for thought

For the year under review, we received an overall Customer Satisfaction Index of 85%, a healthy 7% above our KPI target of 78%.

Delivering exceptional customer service is essential to our success. As a result, we take the measurement of customer satisfaction very seriously, so we contract an impartial, independent company to measure our customer satisfaction levels on a monthly basis. The client surveys consist 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:

- Audiovisual services;
- Cleanliness of venue;
- Coffee shops;
- 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.

The results of these customer experience surveys are used to inform our training and to share with staff our clients' requirements with a view to finding ways to meet and exceed them.



Delivering exceptional customer service is essential to our success.



STAFF, STRATEGY AND TEAM SPIRIT

The following three stories detail how staff have been involved in building both the strategy and spirit of the CTICC. They range from healthy lifestyle initiatives to strategic workshops and conferences.



CTICC 2018 Staff Conference

A staff conference with a purpose

The main outcome of the 2018 Staff Conference was the creation of a new purpose for the CTICC. It is: "We connect people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations." It then focused on brainstorming the best ways to deliver on that purpose.

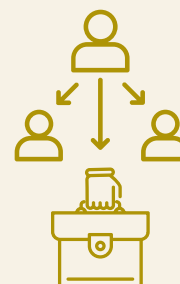
The conference allowed staff to experience our offering "live" and our world-class service as a "client". It was a dedicated space and time for staff to consider what we offer our clients and how we might improve on our service to them. It also provided an opportunity to better understand how each staff member plays a vital and valuable role in our development and growth.

The conference provided the perfect platform for staff from different departments to learn about each other's roles and interact with one another. Staff and the departments they work in are so specialised, they may not normally engage with each other. The conference therefore allowed for inter-departmental interaction in a fun and engaging environment.

Various platforms were created to be able to share ideas. These included roleplay with practical examples and group dialogue sessions, which allowed staff to discuss relevant topics and processes affecting them. In turn, this allowed the group to come up with ways to make the CTICC run more smoothly and successfully.

Connecting with staff #IAMCTICC

An additional idea that came out of the dialogue sessions at the staff conference was the suggestion of a social media hashtag phrase for the CTICC: #IAMCTICC. This has become our hashtag tagline and is now used on all our internal communications and, in particular, on social media. The theme was geared around the concept of each member of staff being a brand ambassador – #IAMCTICC – for the CTICC brand experience.



We connect people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.



Two Oceans Marathon running team

Team CTICC takes on the Two Oceans

A team of 19 staff members took part in the world-renowned Old Mutual Two Oceans Marathon on 31 March 2018. The team is a new initiative designed to motivate staff to adopt a healthy lifestyle, while training and bonding as a team.

We provided branded clothing for the runners and the team spirit produced some remarkable results. Kudos to Robert Hatton-Jones who ran the full 56km race in just 5 hours 44 minutes.

We have been a long-time partner of the Old Mutual Two Oceans Marathon, as we have hosted its registration expo for the past six years. This year it took place from 28 – 30 March.

Congratulations are due to all concerned!

- #TeamCTICC
- #RunAsOne
- #IAMCTICC

Here are the participants of the 21km Old Mutual Two Oceans half-marathon:

1. Carine Daniels
2. Charne Godfrey
3. Clint Aysen
4. Don Jayakody
5. Ernest van Sitters
6. Faizel Cloete
7. Gretha Burger
8. Justin Firfirey
9. Kelly Hope
10. Kelvin Damon
11. Malikah Alexander Manual
12. Noluvo Matroos
13. Robin September
14. Robyn Viljoen
15. Shamil Abrahams
16. Warda Gertse
17. Wayne Jefhta
18. Zuki Magwaxaza



Manager strategy session

Connecting the strategic team together

Initiated by the CEO, this year we commissioned an external service provider, N'lighten, to lead a strategic process that would reinforce our purpose, namely that "we connect people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations". N'lighten runs our client satisfaction surveys and so is strongly focused on delivering on client expectations and monitoring customer satisfaction trends.

The process brought the EXCO, MANCO and Leadership teams together for a strategic session designed to form the foundation of the next five-year strategy for the centre. Each department's management complement had to work as a team to research the trends in their area of the business and share findings about how they wanted their department to progress in the future.

Various tools were used to do the research required, including both SWOT and PESTLE analyses. The process led to the addition of a new value to our existing values of passion, innovation, integrity, excellence and gratitude. This new value is "caring". Its agreed meaning and application is: "We care for one another, our clients, our business, our building and our equipment."

The primary outcome of this strategic process was the creation of a five-year strategic plan designed to take the business forward to 2022.



The process led to the addition of a new value to our existing values of passion, innovation, integrity, excellence and gratitude. This new value is "caring". Its agreed meaning and application is: "We care for one another, our clients, our business, our building and our equipment."

ENVIRONMENTAL CONTRIBUTION



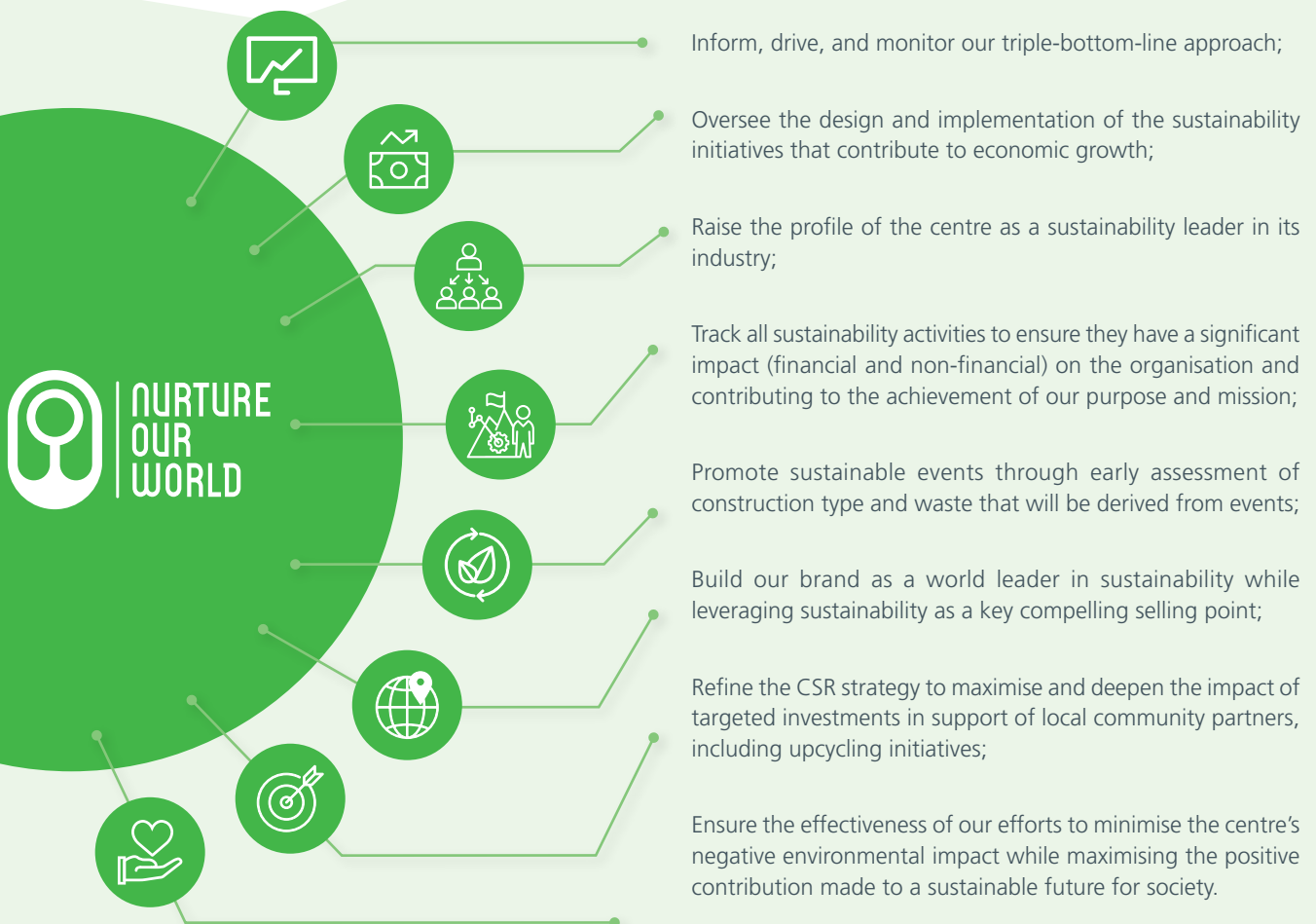
SUSTAINABILITY: CONNECTING TO THE BIGGER PICTURE

PASSIONATELY COMMITTED TO CONSERVING RESOURCES

Central to our Quality, Safety, Environmental and Social sustainability commitment is the Nurture Our World (NOW) initiative. NOW is tasked with guiding and informing the centre's sustainability actions and is the public face of our ambition to be a leader in social and environmental sustainability. Both of these commitments represent strong and substantial connections with the world beyond our doors – and the responsibility that we have to be a positive sustainability role model. It is also a strong selling point for clients.

The NOW initiative has a dedicated NOW Team that was established to drive the implementation of our social and environmental sustainability principles and practices at a strategic, operational and commercial level.

The NOW Team is composed of staff members from each department and is chaired by the Marketing and Sustainability Manager. It is mandated to:



The NOW initiative started in 2009 as a sustainability initiative and has since evolved into a fully-fledged integrated forum. This passion for sustainability leadership saw us become the first convention centre in Africa to report our sustainable practices in line with UN Global Compact standards – standards which we believe inspire others in our industry, as well as our clients and staff, to follow that lead. For us, sustainability is a business essential and it is part of who we are.

OUR ENVIRONMENTAL SUSTAINABILITY: THE YEAR IN REVIEW



The CTICC Nurture Our World team

A significant shift in our consumption patterns has occurred in the year under review due to the opening of our second building, CTICC 2. This has grown our footprint by approximately 60%, along with our capacity to host more and larger events. Consequently, energy consumption has risen, due to the increased number of delegates and events compared to the previous year. However, we have managed to control water consumption well in our original building, CTICC 1, during 2017/18. There has been a reduction of over 30%, due to the success of our water conservation measures.

As at the end of the 2017/18 financial year, we were operating under Level 6B water restrictions in Cape Town. This was not a threat to our operations, the events we hosted or our clients, as we had plans in place to mitigate this situation. Our response has been to maximise our water savings and educate our clients and visitors as to how they can help conserve water. As a result, we have taken the responsible decision to augment our water supply. We are in the process of installing a reverse osmosis desalination plant that will convert groundwater into potable water to supply our full daily requirements. The plant should be fully operational during the current 2018/19 financial year. More details follow on page 104.

We continually seek to increase our energy and water conservation metrics, while also providing for safe disposal of waste and, where possible, recycling or upcycling opportunities. We have also made a concerted effort to raise awareness amongst staff and clients regarding the benefits of reducing their carbon footprint.

How we conserve resources on a daily basis

We seek to reduce our environmental impact across all our offerings in the following ways. We:

- Supply recycled/green conference stationery, notepads, pencils and pens;
- Offer a number of fair trade wines, as well as some that are fully organic and biodynamic, under the respected Reyneke label;
- Source corkless wines where possible, and recycle corks where used;
- Use locally-produced food and fish on the WWF Southern African Sustainable Seafood Initiative (SASSI) green list;
- 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;
- Make a contribution to the Nurture Our World (NOW) Fund for every delegate catered for;
- Use natural light in venues, whenever practical, in consultation with our clients;
- Have designed CTICC 2 to maximise the use of natural light;
- Provide a multi-bin system to encourage recycling with separation at source;
- Collect redundant event material from exhibitions or conferences and donate it to not-for-profit organisations;
- Divert event waste from landfill by upcycling exhibition items such as wood from custom stands; furniture left behind from events and also distribute packaged food left over from events by donating to organisations in need.



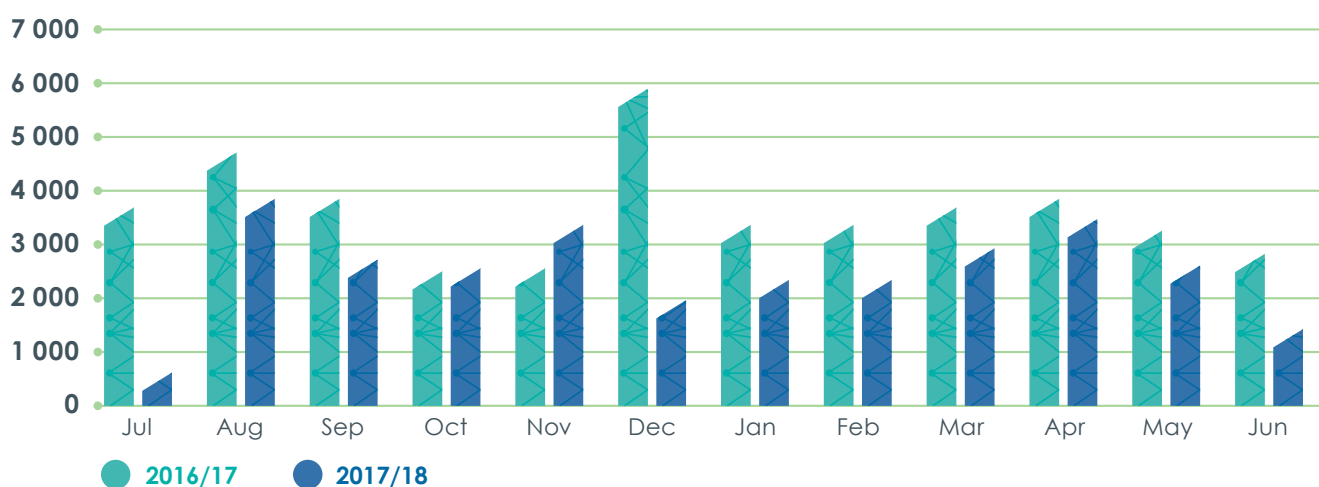
ADJUSTING TO WATER SCARCITY: WHAT WE ARE SAVING

During the year under review, the drought in the Western Cape was severe. Although the province's dam levels improved and were 43.3% full at the end of June 2018, which was 22% higher than last year's levels at that time, water restrictions remained firmly in place. We remain committed to doing whatever we can to reduce our water consumption.

As a result of water-saving initiatives over time, we now use less municipal water each year. This year we used 29 600 kilolitres – which equates to a 30.4% reduction compared

to the 42 500 kilolitres of water used in 2016/17. This figure is for CTICC 1 only but shows the remarkable effect our water conservation measures – listed below – have had on our consumption. We intend for this conservation trend to continue. The intention is to be self-sustaining in the coming year, due to the commissioning of the reverse osmosis desalination plant. More details of this significant capital investment in our environmental sustainability follow.

Water consumption in kilolitres (kL)



Water consumption saving

Annual	2016/17	2017/18
Total kL	42 501	29 566
kL saving		-12 935
Percentage saving		-30%



12 935 kL

Total water saved
in 2017/18

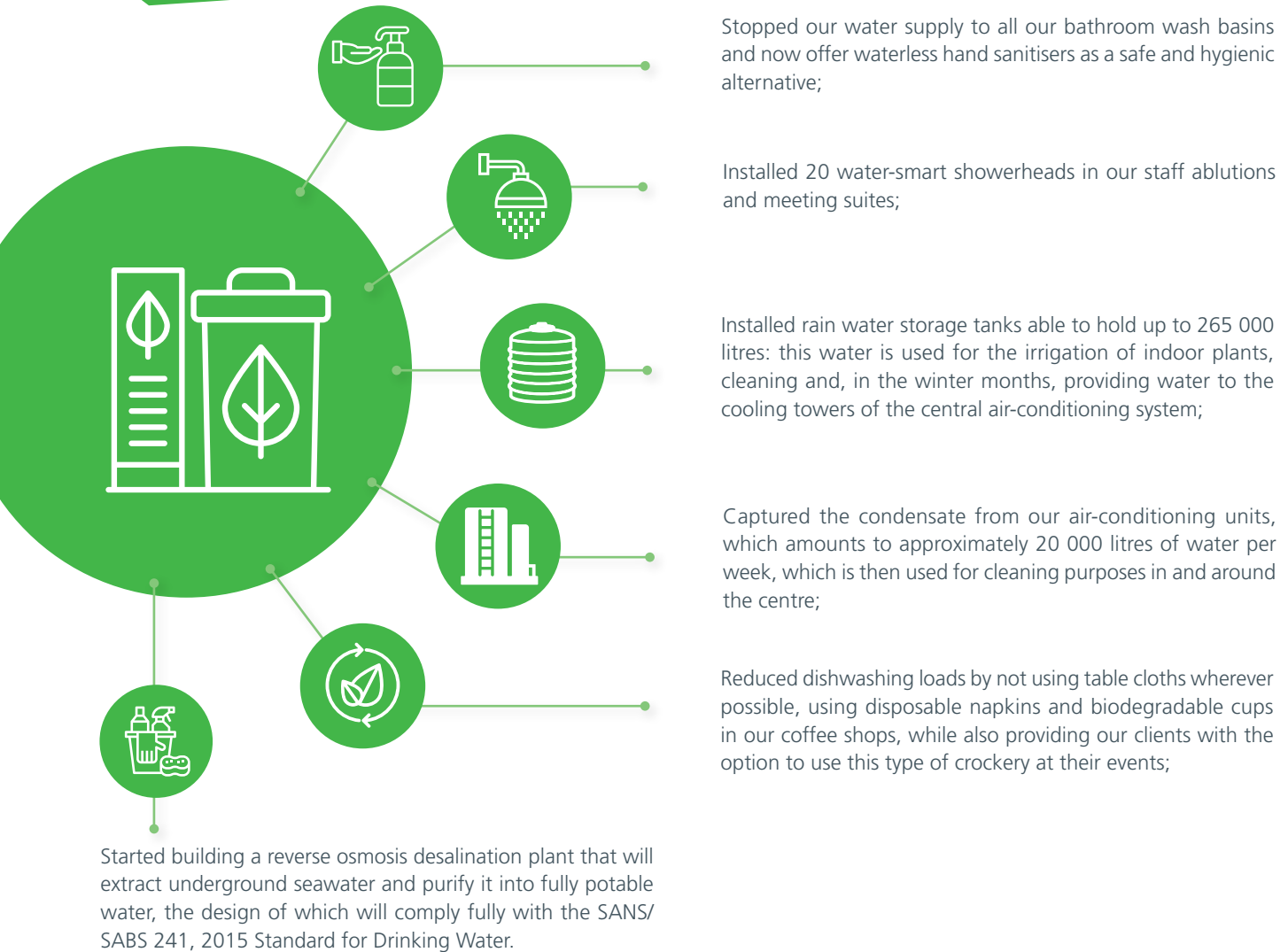


30%

Saving in water consumption
in 2017/18

Seriously successful measures: how we are saving

Our strategy to address the ongoing need for water conservation includes the following specific strategies and actions, all of which have been combined to produce the water consumption savings highlighted below. We have:



The reverse osmosis desalination plant which has been procured has been sized to cater fully for all our daily water consumption needs. It can produce 200 000 litres of potable drinking water in a 24-hour cycle and will also have a tank storage capacity of 400 000 litres, so as to be able to cater for our maximum demand scenarios.

Installation is presently underway and we expect to have the plant fully operational by the end of 2018, so as to ensure that our operations place no strain on the municipal water supply grid this coming summer.

RECALIBRATING OUR ENERGY USAGE



Decorex Cape Town 2018

During the 12 months under review, CTICC 1 used 31 657.7 total gigajoules of energy from primary sources (fuel) and electricity generation. This small increase of 1.6% is due to the fact that there was an 8.9% increase in event numbers over the period, compared to the previous 12-month period, rising from 482 events in 2016/17 to 525 events in 2017/18. Consumption has been controlled well, bearing in mind that increase. Perhaps more importantly, the attendance figures for those events – delegates and visitors through our doors – rose by 16.7%, from 416 733 in 2016/17 to 486 314 in the year under review.

2017/18				
Total kWh	Fuel litres	Total gigajoules	Year-on-year	Baseline 2012/13
8 780 480	1 309	31 658	2%	-9%



31 658

Total gigajoules of energy used at CTICC 1 in 2017/18

The table below shows combined energy consumption for CTICC 1 and CTICC 2 for the 2017/18 year under review. This affected overall consumption figures and showed an increase of 35.1% in overall energy usage compared to the previous 12-month period. Bearing in mind our expansion, and to ensure validity of reporting data going forward, we need to use this year's 2017/18 reporting as a new baseline, which must be taken into consideration for future calculation purposes.

Year	Total kWh	Fuel litres	Total gigajoules	Year-on-year
2015/16	9 199 200	1 249	33 162	-3%
2016/17	8 643 600	1 238	31 161	-6%
2017/18	11 684 111	1 309	42 111	35%

As per the table below, if we take into account the energy consumption of both buildings for the year under review, the new total baseline figure was 11 684 111 kWh.

New baseline year CTICC 1 and CTICC 2	Total kWh	Fuel litres	Total gigajoules
2017/18	11 684 111	1 309	42 111



Continuously monitoring our electricity consumption

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

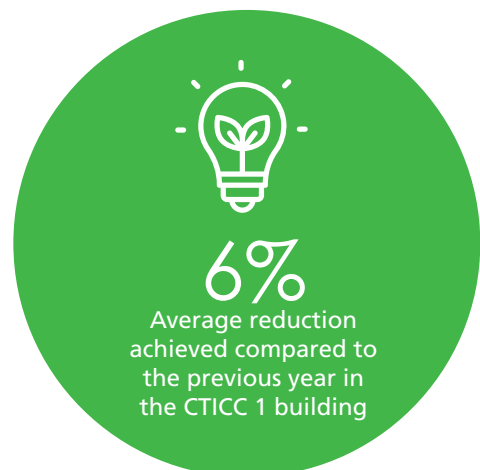
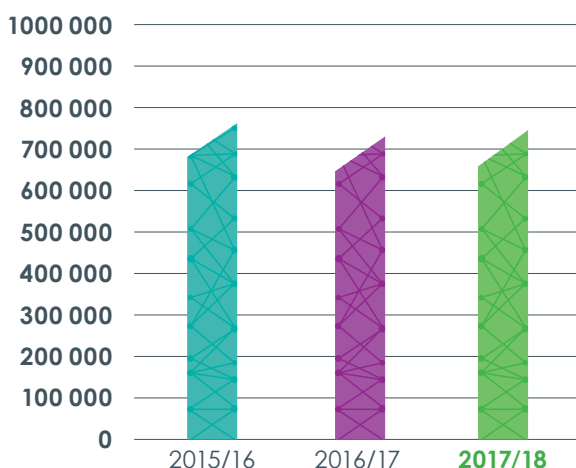
The figures mentioned below for CTICC 1 energy use demonstrated an increase of 136 880 kWh in power consumption for 2017/18 (1.6%). Efforts were made to reduce the kVA peak demand consumption average per month in CTICC 1 by alarming and monitoring high kVA usage, as well as building management system adjustments. These efforts

achieved an average reduction of 5.9% compared to the previous year in the CTICC 1 building.

We are committed to reducing our electrical energy consumption going forward, particularly in the light of our increased footprint. Our five-year strategy focuses on investing in more sustainable electrical generation. Proposed methods to reduce consumption include photovoltaic solar panels, solar water heating and heat pumps. Our technical team is also committed to reducing kVA by ensuring that the building management systems are running optimally.

Year	kVA	kWh	kWh/Day	kWh/m ²	kVA cost	kWh cost	Average cost per month
2015/16	2 215	766 600	25 132	0.5	R428 655	R497 117	R925 772
2016/17	2 117	720 300	23 640	0.4	R435 530	R503 931	R939 462
2017/18	1 993	731 707	23 864	0.4	R408 038	R529 376	R937 414
Variance	-6%	2%					

Average monthly kWh per annum (kWh)



MINIMISING OUR WASTE DIVERSION TO LANDFILL

We produce a significant amount of waste each year. This figure has increased by 22.8% this year as our new CTICC 2 building has come on stream and we have also hosted 43 more events than in the previous year. However, because our waste management systems are so efficient and our commitment to recycling so entrenched, our waste diversion score of 84% has remained constant. That means 84% of our waste is recycled.

With the current emphasis on clearing our oceans of plastic, we use plastic as little as possible. As an example, we now use only paper straws in our coffee shops and for catering purposes. Our emphasis is on implementing a strict procurement policy that sees us working mainly with suppliers who provide reusable or recyclable products.

An important further step is on-site recycling and our recycling bins remain a useful signpost to our environmental commitments, while also being an educational tool, which we hope has some positive effect on delegates and visitors.

The infographic below shows the breakdown and total amount of waste generated in metric tonnes, in comparison to the three previous years. Glass use appears to be trending down, while recyclables of all types are trending up, which hopefully shows a greater awareness amongst suppliers and clients alike that recycling waste is important.

Total amount of waste generated in 2017/18 (in metric tonnes)



INFORMA/AFRICACOM AND MOTHERS UNITE CREATE UPCYCLING SUCCESS

When waste management meets social development

In November 2017, we hosted the 20th AfricaCom Conference and Exhibition – a high-profile Africa-focused technology event, which brings together 400 exhibitors, 450 visionary speakers and 13 000 delegates and visitors. An event of this size, using both CTICC 1 and CTICC 2, means many large exhibition stands are custom-built for the occasion and then would need to be responsibly removed from our site afterwards.

The client – Informa – was aware the event had a large carbon footprint and wanted to work with us to offset this by creating environmental and social sustainability initiatives. The initiation of the plan to recycle stand material was therefore a collaborative decision that benefited all parties, including one of our local community partners, Mothers Unite, who took delivery of the wood “waste” generated by exhibition stands being broken down.

What we set out to achieve

The objective of the project was to ensure that all “waste” wood from breaking down stands was diverted from landfill and reused or upcycled. The challenge was to find organisations that would be able to find uses for the particular type of wood from which stands are made. There was also the challenge of finding organisations who could receive the very large amount of wood available (five skips worth) in a practical way.

Implementing the upcycling plan

Working with the client Informa, alongside service providers Averda, Bidvest and event build-up teams, we ensured the initiative was a success for the communities of Seawinds and surrounding areas in the following ways:

- The event breakdown procedure was briefed in and managed carefully by service providers working with us and the client, which ensured that wood waste was carefully dismantled and correctly separated into the conveniently located wood skips provided. To ensure the wood was successfully separated, clear and correct waste separation signage was designed and installed in all the relevant areas of the CTICC, as well as on the wood skips.
- Promotional material was created through sustainability videos, which showed and recorded the success of the initiative. A videographer met with Carol Jacobs of Mothers Unite and recorded her, as well as our CEO, Julie-May Ellingson. There was also a record (video and stills photography) of the community's response to the arrival of the wood and how the wood was used and upcycled in various ways: to secure living spaces, for carpentry and making furniture, as well as for the Mothers Unite woodwork project, which creates items that can be sold for profit.

Recording the success of the initiative

The client's videographer captured the entire process from waste separation at the event to delivery to Mothers Unite. The completed videos can be seen on You Tube and are titled as follows:

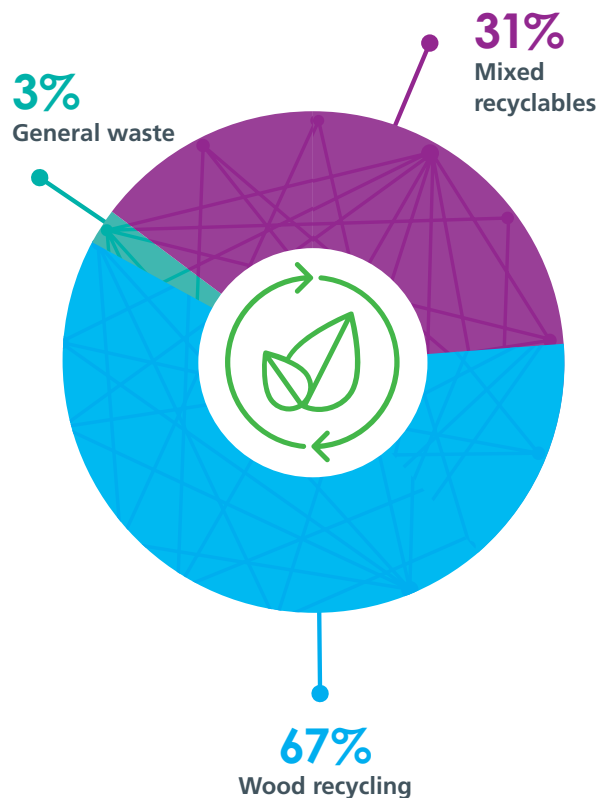
- Sustainable Informa – Making an Impact on Cape Town, Part 1 – this video celebrates the impact Informa's content has had on creating growth and opportunity for young Africans in the technology and communications sectors;
- Sustainable Informa – Running Our Show Responsibly, Part 2 – this video takes a closer look at the way Informa seeks to benefit those most in need in Cape Town, whilst also reducing the impact from our waste.

The final facts and figures

This Informa project allowed us to divert from landfill most of the wood generated at the Informa event on behalf of the client. We were able to provide 101.2 metric tonnes of wood to the communities of the Seawinds and surrounding areas.

The wood “waste” made up 66.6% of the waste generated at the event, contributing to the remarkable overall recycling figure of 97.4% for the entire event. Future plans include ensuring that upcycled wood can be distributed to other organisations and used directly to build skills and generate income.

Waste generated from the Informa event (percentage)





Step 1

The CTICC updated its waste separation signage and posted these, in high visibility areas, throughout our buildings, to help visitors actively identify the correct sorting requirements.



Step 2

Informa suppliers were briefed to ensure that post-event reusable wood, was placed in the correct skips for delivery to Mothers Unite.



Step 3

The Mothers Unite team attended the Informa breakdown and selected wood for their various projects. The LCP was delighted to later accept the wood, at their site, confirming that the community, in which they work would benefit tremendously from the initiative.



Step 4

The Informa videographer documented the entire initiative, which included the waste stream process at the CTICC 1 back-of-house. They also covered the event breakdown process and the final delivery of wood, by the CTICC's waste contractor, Averda, to Mothers Unite. The final step in the showcase included interviews with the Mothers Unite team.



Step 5

After the final cut, the video, showcasing this amazing sustainability initiative, was uploaded onto Connecting Africas YouTube channel.



Step 6

The initiative saw the donated wood being used to educate the community in the form of woodwork classes, with some wood sold for profit, by Mothers Unite, to benefit the broader community.

GOVERNANCE



MANAGING OVERSIGHT AND RISK: CONNECTING WITH KING IV

CORPORATE GOVERNANCE REPORT

The Board of Directors ("Board") is committed to upholding good ethical standards and the application of corporate governance principles in accordance with the King IV Report on Corporate Governance for South Africa ("King IV™"). As a recent adopter of King IV, the Board of Directors ensures that the governance structure in the CTICC cultivates good governance outcomes in relation to its ethical culture, performance, effective control and legitimacy.

King IV principles disclosure

The requirement for reporting under King IV differs from reporting under King III™, whereby King IV now requires that a company reports on how it has applied the code. A Governance Report outlining the CTICC's governance framework in relation to King IV is available on our website: www.cticc.co.za.

Board of Directors

The Board provides leadership and determines the strategic objectives of the CTICC and acts as the custodian of the CTICC's corporate governance framework. The Board is supported by five committees and delegates the responsibility of running the business to its executives. The Board monitors the implementation of its strategies, decisions and key policies and is satisfied that it has fulfilled its responsibilities required by its mandate this year.

Composition of the Board

The Board comprises eight Directors, of which seven are Non-executive and one is an Executive Director. Of the Non-executive Directors, five (70%) are independent. The Board is satisfied that its members have a diverse range of knowledge, skills, qualifications and experience, which enables it to contribute meaningfully to the CTICC.

Conflict of interests

Directors are required to declare their personal financial interests and those of related persons in contracts with the company. A register in this regard is maintained and reviewed at each Board meeting. Directors are further asked to recuse themselves from any discussions and decisions where they have a material financial interest.

Chairperson and Chief Executive Officer

The roles of the Chairperson of the Board and the Chief Executive Officer are separated and clearly defined. The Chief Executive Officer is responsible for the day-to-day management of the company and implementation of the strategy and objectives adopted by the Board. The Chairperson of the Board manages the relationship between the Board, the Chief Executive Officer and the various Board committees.

Board Committees

The Board acknowledges that the overall responsibility for managing the CTICC rests with the Board as a whole. To assist it in fulfilling its responsibilities, the Board delegates some of its functional responsibilities to its committees by means of clearly defined mandates. These committees report continuously to the Board on their deliverables in accordance with their Board-approved charters. A detailed report on the composition and responsibilities of these five committees is available in the online Governance Report and on pages 139-143.

Company Secretary

The Company Secretary is responsible for providing the Board with guidance on discharging its responsibilities in terms of legislation and regulatory requirements and coordinating the functioning of the Board and its committees. The Board is satisfied that the Company Secretary has performed all formalities and substantive duties timeously and in an appropriate manner and that an arm's length relationship between the Company Secretary and the Board exists.



The Board of Directors ("Board") is committed to upholding good ethical standards.



Audit and Risk Committee

Board meetings

The Board met six times during the year under review and will meet at least four times per financial year or more if circumstances require. The table below sets out the Board and Board Committee meetings held and attendance during the reporting period.

Details of directors' meeting attendance 1 July 2017 – 30 June 2018

Name of Director	Board	Audit and Risk Committee	HR and Remuneration Committee	Nominations Committee	Social and Ethics Committee	Expansion Committee
Total number of meetings	6	4	5	2	3	1
HV Ntoi	6	–	5	1	–	1
DA Cloete	6	–	5	–	–	1
JM Ellingson	6	4*	5*	2*	3	1
SW Fourie	5	–	–	1	–	–
EI Hamman	5	4	–	–	3	–
S Myburgh-De Gois	6	–	4	–	–	1
JC Fraser	5	–	4	–	–	–
CK Zama	4	–	–	–	1	–
BJ Lodewyk	4	3	–	–	1	–
AA Mahmood	2	–	–	1	1	–
F Parker	5	3*	–	1*	–	–
G Harris #	–	2	–	–	–	–
D Singh #	–	3	–	–	–	–
L Ndaba #	–	2	–	–	–	–
M Burton #	–	1	–	–	–	–
AM Borraine	1	–	–	1	–	–

Attended meeting in capacity as a committee member only

* Attended meeting in a capacity other than as a committee member



DIRECTORATE AND ADMINISTRATION

for the year ended 30 June 2018

Directors

HV Ntoi (42)

Chairperson
Independent Non-executive
Appointed: 17/10/2016

AM Boraine (59)

Chairperson
Independent Non-executive
Appointed: 17/10/2006
Resigned: 23/10/2017

El Hamman (51)

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

JM Ellingson (50)

Chief Executive Officer
Appointed: 01/09/2014

DA Cloete (52)

Independent Non-executive
Appointed: 27/10/2015

S Myburgh-De Gois (53)

Independent Non-executive
Appointed: 16/02/2014

SW Fourie (62)

Non-executive
Appointed: 22/11/2014

JC Fraser (64)

Independent Non-executive
Appointed: 24/08/2017

CK Zama (40)

Non-executive
Appointed: 24/08/2017

AA Mahmood (52)

Independent Non-executive
Appointed: 20/04/2013
Resigned: 14/02/2018

BJ Lodewyk (45)

Independent Non-executive
Appointed: 20/04/2013
Resigned: 28/05/2018

F Parker (43)

Chief Financial Officer
Appointed: 16/10/2012
Resigned: 23/03/2018

Board Committees

Audit and Risk Committee

El Hamman (Chairperson)
CK Zama
L Ndaba
D Singh
M Burton

Human Resources and Remuneration Committee

DA Cloete (Chairperson)
HV Ntoi
JC Fraser
S Myburgh-De Gois

Nominations Committee

HV Ntoi (Chairperson)
SW Fourie

Social and Ethics Committee

S Myburgh-De Gois (Chairperson)
El Hamman
CK Zama
JM Ellingson

CTICC Expansion Committee

HV Ntoi (Chairperson)
DA Cloete
S Myburgh-De Gois
JM 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

Kilgetty Statutory Services (Pty) Ltd
Appointed: 05/10/2017

Auditors

Office of the Auditor-General
Private Bag X1, Chempet, 7442

Principal Bankers

ABSA Bank Ltd
PO Box 7735, Johannesburg, 2000

Convenco Board of Directors

MAKING GREAT
CONNECTIONS
FOR FIFTEEN YEARS



Vuyo Ntoi

Julie-May Ellingson

Kholeka Zama

John Fraser

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 113.

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 comprises five members, of which two are Non-executive Directors and all of whom have appropriate financial qualifications and experience, have been nominated by the Board and appointed by the Council of the City of Cape Town. 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 four 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 five times during the past financial year.

Nominations Committee

The Nominations Committee comprises two 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, to the extent permissible in terms of the Memorandum of Incorporation;
- Directors are appointed through a formal and transparent process, to the extent permissible in terms of the Memorandum of Incorporation;
- Ongoing induction, training, development and evaluation of Directors take place.

The committee met twice during the past financial year.



Ethel Hamman

Solly Fourie

Sharon Myburgh-De Gois

Deon Cloete

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 once during the year under review.

Details of Convenco Board composition 2018

Independence	Surname	First Names	Date of Appointment	Female	Male	African	Coloured	Indian	White	20 – 30	31 – 40	41 – 50	Above 50
(*)	Boraine	Andrew Michael	17 Oct 2006 (Resigned 23 Oct 2017)		(R)				(R)				(R)
(*)	Cloete	Deon Anton	27 Oct 2015		*				*				*
#	Ellingson	Julie-May	1 Sept 2014	*					*				*
(*)	Fourie	Solly William	22 Nov 2011		*		*						*
(*)	Fraser	John Cameron	24 Aug 2017		*				*				*
*	Hamman	Ethel Irene	20 Apr 2013	*			*						*
*	Lodewyk	Barry Joseph	20 Apr 2013 (Resigned 28 May 2018)		(R)		(R)					(R)	
*	Mahmood	Aklaaq Ahmed	20 Apr 2013 (Resigned 14 Feb 2018)	(R)				(R)					(R)
(*)	Myburgh-De Gois	Sharon	16 Feb 2014	*					*				*
*	Ntoi	Hlompho Vuyo	25 Oct 2016		*	*						*	
#	Parker	Fairoza	16 Oct 2012 (Resigned 23 Mar 2018)	(R)				(R)				(R)	
(*)	Zama	Caroline Kholeka	24 Aug 2017	*		*						*	
Total				4	4	2	2	0	4	0	0	2	6

* Independent Non-executive

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

Executive

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

STAKEHOLDER ENGAGEMENT REVIEW: MAKING OUR CONNECTIONS WORK FOR US

As a major global roleplayer in the tourism and events sectors, we connect with a wide range of stakeholders. Their respective roles follow in the table below.

List of stakeholder groups		Basis for identification and selection of stakeholders
Shareholders		
	City of Cape Town	Primary shareholder and investor. Important to our governance. Partner in economic contribution to the City's economic success as an opportunity city.
	Western Cape Government	Second largest shareholder and investor. Important to our governance. Partner in growing the economic benefits that flow from the provincial government's "Open-opportunity Society for All" strategy.
	SunWest International (Pty) Ltd	Minority shareholder. Partner in overseeing our success as a viable commercial enterprise.
Clients, staff, community and business partners		
	Clients: professional conference, exhibition and event organisers	Vital to our financial sustainability and the retention of the 182 permanent and temporary staff complement we work with.
	Staff	Fundamental to our longevity, sustainability and reputation.
	Service partners	Important for effective delivery on organisational goals and KPIs, including economic contribution and job creation targets.
	Local community partners: Abalimi Bezekhaya, Foundation for Alcohol-Related Research (FARR), Ikhaya Le Themba, Journey of Enrichment and Mothers Unite	Established partnerships since 2011 with Abalimi Bezekhaya and the Foundation for Alcohol-Related Research. New partnerships announced January 2017 with Ikhaya Le Themba, Journey of Enrichment, and Mothers Unite. These partnerships were established to strengthen community ties and offer ongoing support to the valuable work of the organisations.
	South African National Convention Bureau and Cape Town & Western Cape Convention Bureau	Strategic alliances that assist in attracting international conferences to Cape Town and the CTICC, together with the potential for job creation they bring with them.
	Cape Town Tourism and other tourism industry stakeholders	Raise the tourism profile of the city and region, while also promoting the job and career opportunities this sector offers. Collaborating in order to position us and the region as top of mind for both leisure and business tourist roleplayers.
	Media	Partner in raising awareness about us. Primary target audience for reputation management action plans and economic contribution promotion successes.
	CCID: Safety and security stakeholders and hotel security group	Partner in ensuring the safety and security of delegates during events within our precinct and surrounding hotels.



HOW WE CONNECT WITH OUR STAKEHOLDERS AND SHAREHOLDERS



CTICC Annual General Meeting 2017

Engaging with our stakeholders is about networking efficiently and effectively, maximising the benefits of connections across our existing client base, our suppliers, the region's chosen catalytic sectors, international associations and event and hospitality sector groupings. Depending on the particular stakeholder segment, we either host or attend a variety of events throughout the year to ensure that quality connections are made that will create new business opportunities.

We host important events including our Annual General Meeting, Board meetings and shareholder meetings. In

addition, we attend relevant business association meetings and social stakeholder events such as IMEX and IBTM events, which take place abroad, and the Event Organisers Network meetings here in South Africa.

Whilst these opportunities for face-to-face discussions are the best way to get direct feedback from our shareholders and stakeholders, the increasing reliance on online and social media-based events means that we must be strategic in our use of these channels.



Our social media interaction over the year in review has resulted in the following number of followers as at 30 June 2018:



25 038
Facebook



6 648
Twitter



686
Instagram



3 682
LinkedIn

A further and important stakeholder focus is our membership of both local and international trade associations, which helps us to position ourselves as an international 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 10). Our staff members are particularly active in these associations and our contribution helps build and promote the industry both nationally and internationally.

HOW WE CONNECT WITH THE LOCAL BUSINESS TOURISM SECTOR TO BUILD OUR SUCCESS



Africa Travel Week 2018

Central to our long-term success is our partnership with our shareholders, local tourism bodies, eventing organisations and our own brand ambassadors. Not only do such relationships build our own reputation, but they also allow us to expand the entire industry together. These partner organisations include, but are not limited to, the following:

- **The City of Cape Town:** As our major shareholder, the City of Cape Town is a close partner in the promotion of the city as a desirable destination for both leisure and business travel. There is no doubt that Cape Town's attractions are part of the reason we won the 19 international conference bids during 2017/18 and the City of Cape Town is pivotal in creating that demand, as well as creating the most favourable investment promotion conditions for us to land global events. The unstinting support of the Executive Mayor, Patricia de Lille, and Mayoral Committee Members for our work, in particular its support during the construction of CTICC 2, makes all the difference in our collaborative efforts to promote ourselves as the business events venue of choice in Africa.
- **Cape Town & Western Cape Convention Bureau:** This organisation is part of Wesgro, the official tourism, trade and investment promotion agency for Cape Town and the Western Cape. Its mission is to market Cape Town as an inspiring place to meet and do business. It provided invaluable assistance in the form of pre- and post-bid assistance, as well as event planning support for event organisers. It is an important partner and ally.
- **The South African National Convention Bureau (SANCB):** The SANCB is the national body responsible for promoting South Africa as a world-class business event destination. It is a reliable source of independent event

planning information and can advise on every aspect of organising a business event in South Africa. It manages national bidding and works with city and provincial convention bureaux, such as the Cape Town & Western Cape Convention Bureau, to promote business meetings in South Africa. We often join forces with these organisations when travelling to international industry events, frequently sharing stands at exhibitions and trade fairs to save costs.

- **Cape Town Tourism:** Cape Town Tourism is the City of Cape Town's official regional tourism organisation, responsible for destination marketing, visitor and industry services. It believes tourism is built around involvement, participation, relationship and partnership. It is committed to responsible and fair tourism and business practices, working with and encouraging the involvement of previously disadvantaged individuals, organisations and companies in tourism in a number of ways. We are one of its most committed partners and our CEO, Julie-May Ellingson, is currently Vice-Chairperson of the Board of Cape Town Tourism.
- **The CTICC Ambassador Programme** was conceived to raise the competitiveness of Cape Town as a desirable international association conference destination. Modelled on international standards of best practice, this initiative aims to make the most of its links to Cape Town's academic, medical and scientific fraternity in order to attract a greater share of the international association convention market. The programme recruits recognised experts or key opinion leaders in their field, who can serve as ambassadors for Cape Town and help champion the destination abroad. There were 19 CTICC Ambassadors.



Annual Staff Year-End Function

How employee engagement builds our brand

Connecting with our staff to build better business opportunities, especially repeat business, is extremely important to us. Many of our staff interact directly with clients, often over a long period if they are involved with planning a large event with a significant lead time. Every existing client is a potential connection to another client, and every staff member is the potential link to that new connection. Employee engagement is therefore a vital platform to support our staff in the roles as front-line brand ambassadors.

In the past year under review, our staff got together in the following ways:

- The full staff complement gathers at the end of each month during informal get-togethers as part of the centre's **incentive programme**. These are informal gatherings held on the Friday before "payday" and staff are encouraged to come to work in smart business-casual attire. After the day's work is formally completed, staff enjoy the late afternoon with each other in a relaxing environment intended to build connections with each other and other departments.
- A new innovation this year has been **sessions with the CEO and Executive Management**. These sessions are an extension of the staff conference and, in a relaxed environment, tackle challenges that came out of the staff conference in a holistic and fun way.
- There are also quarterly **staff breakfasts**, where a motivational speaker is invited to discuss issues of importance to the organisation, such as communication. "Employees of the Quarter" from the different departments are recognised

and long-service awards are made to employees at these events.

- Special events are also hosted for the staff during the year, including – for the first time this year – a **Secretaries Day high tea**. Staff attended this CTICC-created event for personal assistants and administrators from various companies.
- There was also a **Valentine's Day event**. This event created awareness around protecting and keeping the heart healthy – in every sense!
- The annual **Year-end function** is also a great opportunity to build ties with employees, strengthen the company's culture and celebrate the past year's accomplishments – especially, this year, the opening of CTICC 2. The event was hosted there.
- Finally, on the occasion of our **15th birthday**, we celebrated in style by having a dress-up and fashion show, accompanied by the obligatory selfie booth.
- More formal, **regular staff meetings** also take place during the year covering company performance, staff training presentations, staff travel feedback and long-service and star performer awards.
- In addition, as well as the above internal communication platforms, there are **digital communication channels** such as our intranet and staff emails, as well as **KPA meetings and notice boards** – all of which update staff about company news on a continuous basis.

STAKEHOLDER ENGAGEMENT: BUILDING SECTOR CONNECTIONS TOGETHER

Making positive connections with our stakeholders in the leisure and business tourism sectors is important to us. This year's stakeholder engagement activities showcased our expanded complex, deepened mutually beneficial connections, brainstormed innovative new offerings and created ideas for delivering world-class services.

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

Giving clients a taste of what's to come



Film Open Day

16 – 17 August 2017

The CTICC in collaboration with Wesgro and the City of Cape Town hosted the film industry briefing and the Wesgro locations workshop at the CTICC. The joint industry meeting focused on updates in the film industry. This event was attended by Executive Mayor Patricia de Lille and Wesgro CEO Tim Harris. On the second day the National Sales department presented the CTICC as a film location to more than 170 film location scouts, location managers and directors. A group of ten location scouts and managers were taken on a site visit of CTICC 2.



National Sales Conference Week

8 September 2017

The National Sales department hosted an open day with approximately 40 clients to promote new business to the CTICC. The campaign was centred around "Conferences that are built to order; we can customise any event". The event was held in the roof terrace meeting room and showcased what the CTICC has to offer, from our food and beverage offerings to all our preferred suppliers, positioning the CTICC as a one-stop shop. A site inspection of CTICC 2 was also conducted on the day.



ISAKOS Site Visit and Chef's Table

14 July 2017

The Business Development Manager: International, together with the Cape Town & Western Cape Convention Bureau, hosted the Director of Exhibits & Logistics, as well as the Executive Director from the International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine (ISAKOS) for a site inspection and a Chef's Table lunch. We are currently bidding to host this event in May 2021, which could attract 4 500 delegates.



Western Cape Education Department

26 October 2017

The National Sales department hosted ten guests from the Western Cape Education Department to encourage new business, and to have our Executive Chef showcase what the CTICC is able to offer from a food and beverage perspective. The Chef's Table was hosted by the Executive Chef, Business Development Manager: National, and two National Sales Executives.



FIP World Congress of Pharmacy and Pharmaceutical Sciences Site Visit and Chef's Table

23 October 2017

The Business Development Manager: International, the Sales Executive: International and the General Manager: Commercial & Business Development hosted the CEO and Congress Director of the International Pharmaceutical Federation (FIP), as well as local association members, for a site inspection and lunch. We were bidding for the FIP World Congress of Pharmacy and Pharmaceutical Sciences 2021.



International Association of Paediatric Dentistry (IAPD) Site Visit and Chef's Table

28 March 2018

The CEO, the Business Development Manager: International, the General Manager: Commercial & Business Development and the Sales Executive: International hosted IAPD and their conference organisers, as well as the Cape Town & Western Cape Convention Bureau, for a site inspection. The City of Cape Town and the CTICC have submitted a bid to host the IAPD Conference in 2023, which looks to attract 1 000 delegates to Cape Town.



ICCA Sector Venue International Client/Supplier Workshop

19 – 21 April 2018

The Business Development Manager: International participated in the ICCA Client/Supplier Workshop which took place at the Vancouver Convention Centre in Vancouver, Canada. Mr Alan Wegener from the American Association for Petroleum Geologists participated as the CTICC client. The workshop consisted of a welcome reception and a one-day client/supplier engagement, which took place in a round robin meeting style.

Keeping ahead of our game



IMEX America

10 – 12 October 2017

The Business Development Manager: International and the General Manager: Commercial & Business Development attended IMEX America, hosted in Las Vegas. A total of 15 meetings were conducted during the show and a further three client meetings were conducted in New York as a post-IMEX sales trip.



Meetings Africa 2018

27 – 28 February 2018

The Business Development Manager: International attended Meetings Africa which took place at the Sandton Convention Centre. A total of 34 meetings were scheduled and conducted over two days. Post Meetings Africa a further eight meetings were concluded.



Client Appreciation Week

December 2017

The International and National Sales departments did a festive season sales blitz after having identified a list of top-producing clients that have hosted a significant amount of events at the centre. The team went off-site to wish these clients a happy festive season and presented each with a gift. A total of 40 gifts were dropped off in the Cape Town CBD and outlying areas.



IMEX Frankfurt

15 – 17 May 2018

The CEO, GM: Commercial & Business Development and Sales Executive International attended IMEX Frankfurt. A total of 19 appointments were held.



CTICC 2 launches live on air

Cape Talk's "In the Boardroom" live broadcast

7 November 2017

CTICC 2 hosted its first live outside broadcast with Cape Talk. The Kieno Kammies morning show, from 6am to 9am, hosted a special live broadcast of its Cape Talk "In the Boardroom" segment. The special broadcast centred around CTICC 2, our operations and financial performance and AfricaCom, which we were hosting at the time of the broadcast. This successful event provided ideal media exposure for CTICC 2, as well as the AfricaCom event.



Mayor De Lille's CTICC 2 final site inspection 6 September 2017

At this final CTICC 2 site inspection, the City of Cape Town Executive Mayor, Patricia de Lille, declared the expansion of the Cape Town International Convention Centre, CTICC 2, "ready to welcome the world". The Mayor conducted a final site inspection of the expansion with Chief Executive Officer, Julie-May Ellingson, to give her final seal of approval of the construction of the expansion before contractors hand over the building for occupation.

The Mayor's inspection included a tour of the impressive main conference and exhibition halls, meeting pod rooms and the facility's extensive back-of-house areas. These included the control room with its state-of-the-art building management system, as well as the facility's hot, cold and pastry kitchens. The Mayor also viewed the centre's open-air rooftop terrace, with impressive views of the city and Table Mountain.

Below is what she said on this occasion:

"In July 2014, I broke the first ground at the construction site. Now, in September 2017, we are standing in the impressive, light-filled reception hall of CTICC 2. This has been a long journey, but it's only through focused and visionary leadership by the City and its partners that we can welcome even larger events and conferences to our shores and take this city to greater heights. Today I'm even more proud to say that the CTICC is indeed a key driver of our efforts to position Cape Town as a forward-looking, globally competitive business city... I can't wait to welcome our first delegates in this impressive building."



The expansion of the Cape Town International Convention Centre, CTICC 2, is "ready to welcome the world".



Executive Mayor Patricia de Lille's final CTICC 2 site inspection



CTICC 2 launch 25 January 2018

We planned and hosted an impressive and memorable launch for CTICC 2. Almost 400 clients and stakeholders dressed up to attend this glamorous event, which took the form of a journey through the building, starting in the foyer with elegantly presented welcome canapés and drinks.

After the initial welcome, guests were taken on a journey through the building with a Kaapse Klopse band, who escorted them to the next venue in the launch programme. There they were entertained by more local talent, in the form of Cape Flats singer Jimmy Nevis, who serenaded guests until the formal speeches began.

After the speeches and a video outlining our history to date, guests were ushered through to the next hall where a delicious hot main course was served while an array of breathtaking and acrobatic entertainment took place on stage. State-of-the-art service, lighting and sound completed the picture.

For the last leg of the formalities, guests were taken to another hall, where a delicious dessert awaited them and they were further entertained by an extraordinarily talented and lively violinist, as well as the final two speeches of the night.

To cap it all, there was an after-party upstairs in the Bluebell Terrace Room, where a full bar and music entertained those with the energy to keep on going. It was a truly magical occasion and did us proud.

Africa Melane from Primedia/Cape Talk compèred the event throughout and speeches were made by the Executive Mayor of Cape Town, Patricia de Lille; the Western Cape Minister for Economic Opportunities, Alan Winde; the CEO, Julie-May Ellingson; and both the incoming and outgoing Chairpersons of Convento, Vuyo Ntoi and Andrew Boraine.



The CTICC planned and hosted an impressive and memorable launch for CTICC 2.



CTICC 2 opening January 2018

Jazz Festival corporate suite and Upper Deck party

23 and 24 March 2018

Each year, we host event and tourism stakeholders, brand ambassadors and clients at the annual Cape Town International Jazz Festival, both in our corporate suite and at our Upper Deck party, which overlooked the popular Basil “Manenberg” Coetzee stage. Our guests are truly treated like VIPs over two nights at this prestigious music festival, which has in the past brought international icons such as Randy Crawford, Lauryn Hill, Dan Brubeck, Earth, Wind & Fire and local greats like Hugh Masekela and Miriam Makeba to its stages.

This truly world-class entertainment event allows us not only to connect with important stakeholders and clients, but also to showcase our venues, our cuisine and our environmental credentials. This year we put on a carefully considered waterwise menu to demonstrate our commitment to water conservation – much of the food was grilled or baked, rather than boiled or steamed. Compostable disposable dishes were used to save on dishwashing and waste. Even vegetables which need less water to grow were used. You can read the full story on page 58.



Our guests are truly treated like VIPs over two nights at this prestigious music festival, which has in the past brought international icons such as Randy Crawford, Lauryn Hill, Dan Brubeck, Earth, Wind & Fire and local greats like Hugh Masekela and Miriam Makeba to its stages.



19th Cape Town International Jazz Festival 2018



CTICC 2 atrium

OUTLOOK



POSITIVELY CONNECTED TO THE FUTURE

EVENTS THAT CONNECT PEOPLE, CHANGE LIVES AND BUILD ECONOMIES

Our combined CTICC 1 and CTICC 2 complex is complete and the road ahead looks very promising. In a consistently competitive marketplace, we have done extremely well to secure the more than 64 secured international events up until 2023 that we have.

We are fortunate to operate from a perennially popular city at the southernmost tip of Africa, with all the attractions that come with that. And we are blessed with the innate ingenuity, innovation and resilience of South Africans across the range of our stakeholders: a new Chairperson who is raring to go, shareholders who have unwaveringly supported us throughout our first 15 years – and, in particular, through the sometimes complex construction phases.

Sometimes you have to look back to look forward, and we hope you appreciated our review of that first decade and a half, which has seen us consistently serve both international and national clients across the full range of catalytic growth sectors our City and Province promote.

Today, as we welcome our sixteenth year, our forward book is already reaping the benefits of our carefully curated reputation and our expansion, with the greater flexibility it brings. The medical sector, in particular, has always been loyal to us, often bringing eye-opening, cutting-edge medical technologies through our doors.

In the 2016/17 year, we hosted the fast-moving world of prosthetics and orthotics. This financial year we have hosted the important 17th World Conference on Tobacco or Health (WCTOH: see page 41), while in October 2018, we will welcome experts in internal medicine, with 6 000 cardiologists, endocrinologists, pulmonologists and geriatricians coming to Cape Town. They will travel from all over the world to the World Congress of Internal Medicine (WCIM) 2018. They will be here to find better ways of keeping us healthy. The endocrinologists themselves are back in force in December 2018, again in their thousands, for the 18th International Congress of Endocrinology (ICE) 2018.

Then, in 2020, we open our doors to the rather smaller but equally essential HIV Research for Prevention Conference, which we hope becomes less and less necessary as we move towards either inoculation or a cure for one of the world's bigger medical challenges. After that, in 2021, 7 000 human geneticists are due on our shores and through our doors for the International Congress of Human Genetics 2021 (ICHG).

All of these events – and the ones that bring local and global financiers, insurers, geologists and engineers to our centre – are primarily about knowledge exchange, something we proudly promote. They are also, of course, about creating research and work opportunities in their various fields – something we are absolutely and consistently committed to through the economic contribution these very events bring to our region.

This starts with the happily persistent need for people to actually meet and get to know each other – preferably at a world-class venue in a desirable destination. This fortunately keeps us, our city and our province in business. It ends with us fulfilling our purpose – connecting people to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.

In the end, it's about bringing people together in memorable ways, about making positive and catalytic connections – something that our new sky bridge linking CTICC 1 to CTICC 2 is very much designed to do, if in a rather more literal way. You can read more about it on pages 132 and 133.

As at August 2018, we have 64 international congresses secured on our forward book as listed in the table on the following pages.

64

International congresses secured on our forward book



All of these events – and the ones that bring local and global financiers, insurers, geologists and engineers to our centre – are primarily about knowledge exchange, something we proudly promote.



International bids secured up to 2023
as at 30 June 2018



Start date	Description	Forecast attendance
July 2018	International Congress of Linguists (ICL20)	800
Aug 2018	International Association of Pancreatology (IAP)	1 000
Aug 2018	ICAO Global Aviation Gender Summit	500
Sept 2018	The 3rd Ministerial Conference of the Partnership for Action on Green Economy (PAGE)	550
Sept 2018	Congress of the Liga Medicorum Homoeopathica Internationalis 2018 (LMHI)	750
Sept 2018	Africa Oil & Power 2018	600
Sept 2018	Conference of the International Union of Marine Insurance 2018 (IUMI)	600
Oct 2018	BPESA (GSA) Summit 2018	400
Oct 2018	BIOMIN World Nutrition Forum 2018	720
Oct 2018	36th Conference of the International Society for Trenchless Technology (ISTT) – NO DIG International 2018	250
Oct 2018	World Congress of Internal Medicine (WCIM) 2018	6 000
Oct 2018	International Inorganic-Bonded Fiber Composites Conference (IIBCC)	200
Oct 2018	World Congress of Audiology (WCA) 2018	1 500
Nov 2018	25th Africa Oil Week Conference 2018	1 000
Nov 2018	4th Africa Women Innovation and Entrepreneurship Forum (AWIEF)	500
Nov 2018	AfricaCom 2018	800
Nov 2018	American Association of Petroleum Geologists (AAPG) International Conference & Exhibition 2018	1 500
Dec 2018	18th International Congress of Endocrinology (ICE) 2018	5 500
Jan 2019	Enterprise Africa Cape Town 2019	500
Feb 2019	OAC, UITP & UATP Conference	500
Feb 2019	Investing in African Mining Indaba 2019	3 000
Mar 2019	YPO 2019 Global Leadership Conference & EDGE	2 000
Mar 2019	Bonds & Loans Africa 2019	280
Mar 2019	GTR Exporta	300
Apr 2019	ASSA Colloquium (Joint PBSS, IAALS and IAAHS Colloquium, hosted by ASSA)	600
Apr 2019	Congress of the International Society for Gynecologic Endoscopy (ISGE) 2019	600
May 2019	SRA World Congress Meeting	400
Jun 2019	144th IATA Slot Conference	700
Sept 2019	General Assembly of the International Organisation for Standards (ISO)	600
Sept 2019	22nd International Conference on Cyclotrons and their Application (CYC) 2019	250
Oct 2019	17th African Regional Conference of the International Society of Soil Mechanics and Geotechnical Engineering (ISSMGE)	300



Start date	Description	Forecast attendance
Oct 2019	World Congress of the International Federation of Freight Forwarders Associations (FIATA) 2019	600
Oct 2019	International Society for Quality in Health Cares (ISQua) International Conference 2019	1 500
Nov 2019	AISA International Schools Conference 2019	300
Feb 2020	Investing in African Mining Indaba 2020	3 000
Mar 2020	Bonds & Loans Africa 2020	280
Mar 2020	GTR Exporta	300
May 2020	Space Ops 2020	850
Jun 2020	ISF World Seed Congress 2020	1 000
Jun 2020	World Ophthalmology Congress (WOC) 2020	15 000
July 2020	30th Annual International INCOSE Symposium	700
Aug 2020	International Symposium on Microbial Ecology (ISME) 2020	1 500
Sept 2020	18th International Congress of Dietetics (ICD) 2020	1 500
Oct 2020	HIV Research for Prevention 2020	1 400
Oct 2020	IndustriALL Global Union Conference	1 500
Oct 2020	International Mineral Processing Congress (IMPC) 2020	900
Nov 2020	The International Association of Forensic Toxicologists (TIAFT)	600
Mar 2021	Bonds & Loans Africa 2021	280
Mar 2021	International Congress of Human Genetics (ICHG) 2021	7 000
May 2021	Congress Meeting of the International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine (ISAKOS)	4 500
Jul 2021	World Congress of the International Health Economics Association (IHEA)	800
Jul 2021	International Conference on Animal Genetics (ISAG)	600
Jul 2021	International Conference on Mercury as a Global Pollutant (ICMGP)	1 000
Mar 2022	Bonds & Loans Africa 2022	280
May 2022	International Federation of Surveyors (FIG)	2 000
May 2022	International Congress of Cytology	750
Jun 2022	World Federation of Paediatric Intensive and Critical Care Societies (WFPICCS) 2022	1 500
Aug 2022	The 17th International Heat Transfer Conference (IHTC-17)	1 200
Aug 2022	18th International Congress of Immunology (IUIS) 2022	6 000
Oct 2022	76th Congress of the International Fiscal Association 2022	2 000
Jun 2023	International Association of Paediatric Dentistry (IAPD)	1 000

BUILDING BRIDGES BETWEEN PEOPLE

Our brand-new sky bridge is now complete and spans the oldest street in South Africa, the Heerengracht.



Glass is

17mm thick

to minimise heat and control noise



The following Q&A will tell you a bit more about the bridge:

What are its dimensions?

It's about 5m wide by 3m high and 70m long.



What is its capacity?

The maximum capacity is estimated at over 5 000 people per hour.





Made up of

40 tonnes
of steel



Designed for wind speed up to

150km
per hour

Sky bridge connecting
CTICC 1 and CTICC 2



What are its special design features?

It's made up of a steel frame with a concrete floor and roof, supported by slanted columns. Aluminium fins finish off the bottom. It has full-length glass sides to allow for panoramic views towards the city, Table Mountain and the harbour.



Will it swing in the wind?

It will deflect vertically by 5 – 10mm and horizontally by a similar amount. The deflections will not be uncomfortable to users.

ANNUAL FINANCIAL STATEMENTS



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

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DIRECTORS' RESPONSIBILITY STATEMENT

For the year ended 30 June 2018

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 148-180 were approved by the Board of Directors on 23 August 2018 and are signed on their behalf by:



HV Ntoi
Authorised Director
04 December 2018



El Hamman
Authorised Director
04 December 2018



REPORT OF THE DIRECTORS

For the year ended 30 June 2018

The Directors have pleasure in presenting their report for the year ended 30 June 2018.

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 8.

4. **Directors**

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

HV Ntoi (Chairperson)

JM Ellingson (CEO)

S Myburgh-De Gois

SW Fourie

El Hamman

DA Cloete

JC Fraser

K Zama

AM Boraine (resigned 23 October 2017)

F Parker (CFO) (resigned 23 March 2018)

BJ Lodewyk (resigned 28 May 2018)

AA Mahmood (resigned 14 February 2018)

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.

8. **Holding Company**

The City of Cape Town.

COMPANY SECRETARY'S CERTIFICATE

For the year ended 30 June 2018

In terms of section 88(2)(e) of the Companies Act, No. 71 of 2008, as amended, we, Kilgetty Statutory Services Proprietary Limited, in our capacity as Company Secretary of Cape Town International Convention Centre (RF) SOC Limited, confirm that, for the year ended 30 June 2018, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of our knowledge, true, correct and up to date.



Kilgetty Statutory Services Proprietary Limited

Company Secretary
04 December 2018



REPORT OF THE AUDIT AND RISK COMMITTEE

For the year ended 30 June 2018

The Audit and Risk Committee (the committee) submits its report in respect of the financial year ended 30 June 2018, as required by section 94 of the Companies 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 are reviewed annually. It fulfils its responsibilities in terms of the Companies Act, No. 71 of 2008 (Companies Act), the Municipal Finance Management 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 the board of its responsibilities but makes objective and independent recommendations. 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 comprises five members, of which two are independent Non-executive Directors and all of whom hold appropriate financial qualifications and experience, nominated by the Board and appointed by the Council of the City of Cape Town. The committee is chaired by El Hamman.

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 at least 50% of the members present. The committee met four times during the period under review. Refer to page 112 for the attendance at meetings of the committee.

Key responsibilities of the committee

The statutory responsibilities of the committee are as set out in the Companies Act, No. 71 of 2008, and the Municipal Finance Management Act, No. 56 of 2003.

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;
- Oversees compliance with all applicable laws and regulations and reviews the effectiveness of the company's systems for monitoring compliance;
- 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 controls

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 result, 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 relevant company policies;
- Reviewed the significant issues raised by the internal and external auditors;
- Reviewed the effectiveness of the monitoring of compliance with all laws and regulations and satisfied itself that all regulatory compliance matters had been considered in the preparation of the financial statements;
- Had oversight of IT governance;
- Exercised oversight of the financial aspects of capital projects including the CTICC 2 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 external 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 are satisfied with their integrity. The committee recommended the 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 representation 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.



El Hamman CA(SA)

Audit Committee Chairperson
23 August 2018



REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

For the year ended 30 June 2018

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 2018.

Mandate of the committee

The committee is governed by formal terms of reference, which have been approved by the Board and are reviewed annually. 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 comprises of 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. The committee is chaired by DA Cloete.

Attendance at meetings

The committee met five times during the period under review. Details of directors' attendance at meetings appear on page 112 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;
- Selects appropriate comparative groups when comparing remuneration levels in the company;
- Ensures that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- Evaluates the performance of the Chief Executive Officer in determining her remuneration;
- Exercises oversight on matters relating to human resource management and succession planning;
- Performs such additional oversight functions as may be determined by the board from time to time.

Discharge of responsibilities

During the year under review the committee:

- Reviewed the Non-executive Directors' remuneration policy;
- Reviewed the remuneration strategy which included the benchmarking of all remuneration levels in the company;
- 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;
- Performed such additional oversight functions as were determined by the Board from time to time.

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. 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. Furthermore, a reward and recognition programme is in place.

During the period under review and with the assistance of independent external advice from Auld Compensation Consulting, the committee reviewed the remuneration trends in the market. All remuneration packages in the company were benchmarked to similar positions in the meetings industry to ensure that they are fair and competitive. The Committee was satisfied that the advisor was independent and objective.

Despite it being a turbulent year for the South African economy and the drought that affected local businesses in the Cape metropole, the CTICC performed strongly and continued to deliver against its strategic short-, medium- and long-term targets. The committee is satisfied that the company's remuneration strategy and policy achieved its desired objectives during the period under review.

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, 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 04 December 2018. It will again be put to the shareholders for approval at the Annual General Meeting of the company to be held on 11 December 2018.

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



DA Cloete

Human Resources and Remuneration Committee
Chairperson
23 August 2018

REPORT OF THE NOMINATIONS COMMITTEE

For the year ended 30 June 2018

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 2018.

Mandate of the committee

The committee is governed by formal terms of reference, which have been approved by the Board and are reviewed annually. The committee has an independent oversight and advisory role and makes recommendations to the Board of Directors.

Role of the committee

The committee:

- Assists the Board in determining that it has the appropriate composition to enable it to execute its duties effectively, to the extent permissible in terms of the CTICC's MOI;
- Assists the Board in ensuring that directors are appointed through a formal and transparent process, to the extent permissible in terms of the CTICC's MOI;
- Assists the Board in ensuring that the respective Board committees have the appropriate skill sets to enable them to fulfil their responsibilities;
- Ensures that induction, ongoing training and development and evaluation of Directors take place;
- Ensures that an appropriate succession plan is in place in respect of the Chief Executive Officer and Board of Directors;
- Assists the Board with the annual Board and Board committees' effectiveness evaluations;
- Reviews the Board charter annually;
- Reviews the role of the Chairperson of the Board annually;
- Assists the Board in determining the retirement and succession of Directors;
- Reviews the policy governing the seeking of independent

professional advice by individual Board members;

- Performs such additional oversight functions as may be determined by the Board from time to time.

Composition of the committee

The committee comprises two independent Non-executive Directors of the Company. The Executive Directors also attend committee meetings. A quorum for meetings is 50% of the members present. The committee is chaired by HV Ntoi.

Attendance at meetings

The committee met twice during the period under review. Details of directors' attendance at meetings appear on page 112 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 is satisfied that it has, during the past financial year, met its responsibilities as stipulated in its terms of reference.



HV Ntoi

Nominations Committee Chairperson

23 August 2018



REPORT OF THE SOCIAL AND ETHICS COMMITTEE

For the year ended 30 June 2018

This report is presented by the Social and Ethics Committee (the committee) and describes how the committee has discharged its duties in respect of the financial year ended 30 June 2018 as required by Regulation 43 of the Companies Regulations, read in conjunction with section 72 of the Companies Act, No. 71 of 2008.

Mandate of the committee

The committee is governed by formal terms of reference, which have been approved by the Board and are reviewed annually. The committee fulfils its responsibilities in terms of Regulation 43 of the Companies Regulations, section 72 of the Companies Act, No. 71 of 2008, and its terms of reference. 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.

Composition of the committee

The committee comprises three independent Non-executive Directors of the Company and one prescribed officer. Certain members of the company's Executive Management team also attend committee meetings. A quorum for meetings is 50% of the members present. The committee is chaired by S Myburgh-De Gois.

Attendance at meetings

The committee met three times during the period under review. Details of Directors' attendance at meetings appear on page 112 of this report.

Key responsibilities of the committee

The statutory responsibilities of the committee are as set out in the Companies Act, No. 71 of 2008, and the Companies Regulations.

In executing its duties, the committee is responsible for monitoring and overseeing:

- Ethics;
- Social and economic development;
- Good corporate citizenship;
- Customer relations;
- Environment, health and public safety;
- Broad-Based Black Economic Empowerment (B-BBEE);
- Labour and employee engagement;
- Compliance with applicable laws and regulations.

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.

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 (B-BBEE), 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.

In terms of broader organisational ethics, the committee continues to review and monitor the company's ethics-related policies to enable the fostering of a good ethical culture in the company. Furthermore, a staff conference focusing on the values of the company was hosted during the period under review.

With the assistance of the Audit and Risk Committee, the committee monitored compliance with laws and regulations. This included, inter alia, the facilitation of a readiness assessment in preparation of the implementation of the Promotion of Access to Information Act's regulations. During the period under review, Management confirmed that there has been no material non-compliance with legislation or regulations within the remit of the committee's mandate.

In terms of environment, health and safety, the committee continued to monitor environmental, health and safety aspects in accordance with the short-, medium- and long-term strategy of the company. Apart from the recent drought crisis in the Cape metropole, whereby various water initiatives were implemented by the company, including the installation of a reverse-osmosis plant, no significant environmental, health and safety issues arose during the period under review.



S Myburgh-De Gois

Social and Ethics Committee Chairperson
23 August 2018

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON CITY OF CAPE TOWN ON 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 pages 148 to 180, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information 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 as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (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 this auditor's report.
4. I am independent of the municipal 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

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

Contingent liabilities

7. With reference to note 25 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 services. The full extent of the financial exposure is unknown as the matters are still subject to on-going legal proceedings. The value of the claims, as well as related legal fees is not quantifiable as at 30 June 2018.

Impairment of property, plant and equipment

8. As disclosed in note 2 to the financial statements, impairments on property plant and equipment amounted to R462 599 006 (2016-17: R0).

Other matter

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

Unaudited disclosure notes

10. 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

11. The board of directors, which constitutes 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 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.
12. 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 the appropriate governance structure either intends to liquidate the municipal entity or to cease operations, or has no realistic alternative but to do so.

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

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a



material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

15. 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 key performance categories presented in the key performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipal 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.
17. 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 categories presented in the annual performance report of the municipal entity for the year ended 30 June 2018:

Key performance categories (KPC)	Pages in the key performance report
KPC 2 – Capital Projects	67
KPC 4 – Quality Product Offering	67
KPC 5 – Total number of events	67
KPC 6 – Total number of international events	67
KPC 8 – Human Capital Development	67
KPC 11 – Procurement	67
KPC 14 – Graduate Program	67
KPC 15 – The number of people from the employment equity target groups employed in the three highest level of management in compliance with the municipal entity's approved employment equity plan	67

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following key performance categories:
- KPC 2 – Capital Projects
 - KPC 4 – Quality Product Offering
 - KPC 5 – Total number of events
 - KPC 6 – Total number of international events
 - KPC 8 – Human Capital Development
 - KPC 11 – Procurement
 - KPC 14 – Graduate Program
 - KPC 15 – The number of people from the employment equity target groups employed in the three highest level of management in compliance with the municipal entity's approved employment equity plan

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the key performance report on page 67 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation**Introduction and scope**

22. 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 municipal entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

24. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate as required by the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act). The other information does not include the financial statements, the auditor's report and those selected key performance categories presented in the annual performance report that have been specifically reported in this auditor's report.
25. 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.
26. 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 key performance categories presented in the key performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

28. 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 on it. I did not identify any significant deficiencies in internal control.

Other reports

29. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipal entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
30. The Public Protector is performing an investigation based on the alleged failure by the Cape Town International Convention Centre Company (Pty) Ltd and the City of Cape Town to implement the recommendations of the municipality's forensic service department issued on 21 October 2014. The investigation is still ongoing and has not been finalised.

Auditor-General

Cape Town
30 November 2018



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 categories and on the municipal 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 this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipal entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting officer.
 - conclude on the appropriateness of the board of directors, which constitutes 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 this auditor's report. However, future events or conditions may cause a municipal entity to cease continuing 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 2018

	NOTES	2018 R	RESTATED* 2017 R
ASSETS			
Non-current assets		704 703 082	965 327 037
Property, plant and equipment	2	574 441 684	961 750 268
Intangible assets	3	697 307	–
Investment in subsidiary	4	100	100
Deferred taxation	5	129 563 991	3 576 669
Current assets		245 144 637	268 622 943
Inventories	6	1 591 437	1 198 165
Trade receivables and other receivables from exchange transactions	7	19 796 330	13 437 674
South African Revenue Services	16.2	–	3 002 222
Cash and cash equivalents	16.3	223 756 870	250 984 882
Total assets		949 847 719	1 233 949 980
NET ASSETS AND LIABILITIES			
Net financial position		843 147 667	1 152 903 559
Contribution from owners	8	1 277 427 701	1 277 427 701
Accumulated deficit		(434 280 034)	(124 524 142)
Current liabilities		106 700 052	81 046 421
Client deposits	9	28 162 844	19 687 299
Trade payables and other payables from exchange transactions	10	71 820 350	56 399 313
Provisions	11	4 723 383	4 959 809
South African Revenue Services	16.2	1 993 475	–
Total net assets and liabilities		949 847 719	1 233 949 980

***Note:** The audited comparative figures for Cash and cash equivalents and Trade receivables and other receivables from exchange transactions have been restated following the identification of a prior period error. Refer to note 16.4.



STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2018

	NOTES	2018 R	2017 R
Revenue from exchange transactions	13	238 874 596	210 552 246
Cost of sales		(29 891 260)	(23 790 905)
Gross profit		208 983 336	186 761 341
Other operating income from exchange transactions		25 298 447	33 920 360
Finance income	14.1	17 829 123	28 824 690
Other income	14.2	7 469 324	5 095 670
Impairment of property, plant and equipment	2.2	(462 599 006)	–
Operating expenses		(199 028 778)	(163 219 164)
Operating (loss)/profit	12	(427 346 001)	57 462 537
Finance costs	14.1	–	(3 016)
(Loss)/Profit before taxation		(427 346 001)	57 459 521
Taxation	15	117 590 109	(13 983 108)
Net (loss)/profit for the year		(309 755 892)	43 476 413

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 30 June 2018

	CONTRIBUTIONS FROM OWNERS R	ACCUMULATED DEFICIT R	TOTAL R
Balance at 1 July 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
Balance at 30 June 2017	1 277 427 701	(124 524 142)	1 152 903 559
Loss for the year	–	(309 755 892)	(309 755 892)
Balance at 30 June 2018	1 277 427 701	(434 280 034)	843 147 667

CASH FLOW STATEMENT

for the year ended 30 June 2018

	NOTES	2018 R	RESTATED* 2017 R
Cash flow from operating activities		88 732 036	44 826 713
Cash receipts from customers (venue rental, sale of goods and other services)		248 151 461	194 518 338
Cash paid to suppliers and employees		(173 847 032)	(157 955 761)
Suppliers		(118 882 616)	(106 035 408)
Employee costs		(54 964 416)	(51 920 353)
Cash generated from operations	16.1	74 304 429	36 562 577
Finance costs paid	14.1	–	(3 016)
Finance income received	14.1	17 829 123	27 621 805
Taxation paid	16.2	(3 401 516)	(19 354 653)
Cash flow from investing activities		(115 960 048)	(405 436 857)
Acquisition of property, plant and equipment	2	(115 090 983)	(405 436 857)
Acquisition of intangible assets		(869 065)	–
Cash flow from financing activities		–	193 000 000
Proceeds from share issue	8	–	193 000 000
(Decrease)/Increase in cash and cash equivalents		(27 228 012)	(167 610 144)
Cash and cash equivalents at beginning of the year	16.3	250 984 882	418 595 026
Cash and cash equivalents at the end of the year	16.3	223 756 870	250 984 882

***Note:** The audited comparative figures for Cash and cash equivalents and Finance income received have been restated following the identification of a prior period error. Refer to note 16.4.



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2018

	NOTES	ACTUAL 2018 R	ORIGINAL APPROVED BUDGET 2018 R	FINAL APPROVED BUDGET 2018 R	FAVOURABLE/ (UNFAVOURABLE) VARIANCE 2018 R	FAVOURABLE/ (UNFAVOURABLE) VARIANCE %
STATEMENT OF FINANCIAL PERFORMANCE	21.2					
Revenue and other income		246 343 920	272 780 085	249 737 862	(3 393 942)	(1)
Revenue		205 009 496	240 787 599	208 324 909	(3 315 413)	(2)
Other income		41 334 424	31 992 486	41 412 953	(78 529)	0
Less: Direct costs		50 916 564	53 986 365	45 352 197	(5 564 367)	(12)
Cost of sales		29 891 260	37 231 234	29 795 704	(95 556)	0
Direct personnel	(i)	15 965 732	10 689 599	7 941 321	(8 024 411)	(101)
Parking costs	(ii)	3 466 277	4 231 970	5 731 970	2 265 693	40
Event-related marketing costs		862 969	800 000	1 000 000	137 031	14
Equipment hire		730 326	1 033 562	883 202	152 876	17
Add: Finance income	(iii)	17 829 123	11 670 993	11 670 993	6 158 130	53
Less: Indirect expenditure		640 602 480	910 171 523	885 655 743	245 053 263	28
Personnel costs	(iv)	58 983 869	89 691 353	83 664 946	24 681 077	29
Operations general		2 060 971	3 111 513	2 629 727	568 756	22
Utility services	(v)	19 048 631	37 815 882	29 908 546	10 859 915	36
Maintenance		10 885 711	13 296 602	10 736 042	(149 669)	(1)
Building costs	(vi)	22 428 169	27 726 433	24 254 821	1 826 652	8
Office costs		3 457 565	5 437 304	4 372 710	915 145	21
Computer expenses		4 025 245	5 216 017	4 127 221	101 976	2
Advisors	(vii)	2 450 748	6 043 947	5 788 424	3 337 676	58
Travel and entertainment		1 682 042	2 099 481	2 072 215	390 173	19
Marketing and corporate communications		10 054 244	9 090 162	9 607 847	(446 397)	(5)
Catering materials		2 048 936	3 823 085	2 875 856	826 920	29
Bad debts		1 056 904	300 000	300 000	(756 904)	(252)
Depreciation, amortisation and impairment of assets	(viii)	502 419 445	702 868 281	705 317 388	202 897 943	29
Interest expense		–	3 651 463	–	–	–
(Loss) before taxation		(427 346 001)	(679 706 810)	(669 599 085)	242 253 084	(36)

Capital expenditure for the year ended 30 June 2018

	NOTES	ACTUAL 2018 R	ORIGINAL APPROVED BUDGET 2018 R	FINAL APPROVED BUDGET 2018 R	FAVOURABLE/ (UNFAVOURABLE) VARIANCE 2018 R	FAVOURABLE/ (UNFAVOURABLE) VARIANCE %
Building enhancements	(i)	11 783 731	23 300 000	43 560 627	31 776 896	73
IT and electronic infrastructure	(ii)	8 621 454	15 224 333	15 224 333	6 602 879	43
Kitchen enhancements		1 597 073	1 348 100	2 348 100	751 027	32
Catering furniture and equipment	(iii)	3 182 533	6 110 000	6 110 000	2 927 467	48
Other capex items	(iv)	90 775 257	2 000 000	108 232 802	17 457 545	16
Total capital expenditure	21.3	115 960 048	47 982 433	175 475 862	59 515 814	34

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

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 interpretations guidelines and directives issued by the Accounting Standards Board in accordance with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The financial statements have been prepared on the historical cost basis and incorporate the principal accounting policies set out below.

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

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.

The company does not prepare consolidated financial statements as the subsidiary is dormant and not considered material.

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:

Standards that have been assessed:

STANDARD	DESCRIPTION	DATE EFFECTIVE	ASSESSED IMPACT ON ENTITY	REASON FOR ASSESSMENT
IGRAP 17	Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset.	1 April 2019	Low	The entity has not granted any service concessions.
GRAP 18 Segment Reporting	This standard establishes principles for reporting financial information by segments.	1 April 2020	Low	The entity does not have individual segments to report on.
IGRAP 18 Recognition and Derecognition of Land	Interpretation of the Standard of GRAP on Recognition and Derecognition of Land.	1 April 2019	Low	The entity does not own land.
IGRAP 19	Liabilities to Pay Levies.	1 April 2019	Low	The entity does not have liabilities to pay levies.
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.	1 April 2019	Medium	The entity has transactions with Related Parties. The entity used IPSAS 20 to develop its accounting policy for Related Parties.
GRAP 32 Service Concession Arrangements Grantor	Accounting for service concession arrangements by the grantor, a public sector entity.	1 April 2019	Low	The entity has not granted any service concessions.
GRAP 34 Separate Financial Statements	This Standard prescribes the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.	To be determined by the Minister of Finance	Low	The entity discloses its investments in controlled entities at cost.
GRAP 35 Consolidated Financial Statements	This Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.	To be determined by the Minister of Finance	Low	The entity is not required to present consolidated financial statements.



STANDARD	DESCRIPTION	DATE EFFECTIVE	ASSESSED IMPACT ON ENTITY	REASON FOR ASSESSMENT
GRAP 36 Investments in Associates and Joint Ventures	This Standard prescribes the accounting for investments in associates and joint ventures and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	To be determined by the Minister of Finance	Low	The entity does not hold investments in associates and joint ventures.
GRAP 37 Joint Arrangements	The Standard establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).	To be determined by the Minister of Finance	Low	The entity does not have joint arrangements.
GRAP 38 Disclosure of Interests in Other Entities	This Standard prescribes additional disclosures by entities that have any interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated.	To be determined by the Minister of Finance	Low	The only interest the entity has in other entities, is an interest in a dormant company. The entity discloses its investment at cost.
GRAP 108 Statutory Receivables	This standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.	1 April 2019	Medium	The entity has a VAT receivable, which meets the definition of a statutory receivable
GRAP 109 Accounting by Principals and Agents	This standard prescribes the principles to be used, to assess whether an entity is party to a principal-agent arrangement.	1 April 2019	Low	The entity is not a party to a principal-agent arrangement in terms of GRAP 109.
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.	1 April 2020	Low	The entity does not own living and non-living resources.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards, 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.

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

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 in the relevant notes.

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

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.

Impairment of Assets in Progress

As part of the impairment calculation, management estimates the recoverable amount by calculating the value in use of the cash-generating unit to which the asset belongs. In arriving at the value in use, management has needed to make significant assumptions regarding future cash flows and discount rates which are disclosed in note 2.2.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

1. Accounting policies (continued)

1.1 Basis of preparation (continued)

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.

Provisions and contingent liabilities

Management's judgement is required when recognising and measuring provisions, and when measuring contingent liabilities as set out in note 25.

Management's judgement is also required in the assessment for the provision of doubtful debts as set out in note 7.

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

Capital work-in-progress is carried at cost and depreciated from the date the assets are capable of operating in the manner intended by management.

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:

	2018 %	2017 %
Escalators and elevators	5.56 – 16.67	5.56 – 16.67
Carpets/laminated flooring	16.67 – 25.00	16.67 – 25.00
Curtains/blinds	11.11 – 20.00	11.11 – 20.00
Signage	8.33 – 33.33	8.33 – 33.33
Audiovisual	7.69 – 16.67	7.69 – 16.67
Fences and gates	6.67 – 16.67	6.67 – 16.67
Cold rooms	5.88 – 16.67	5.88 – 16.67
Air-conditioning system	5.56 – 16.67	5.56 – 16.67
Sprinkler system	16.67 – 20.00	16.67 – 20.00
Auditorium seating	8.33 – 16.67	8.33 – 16.67
Building management system	5.88 – 16.67	5.88 – 16.67
Building	2.50 – 50.00	2.50 – 50.00
Plant and equipment	8.33 – 33.33	8.33 – 33.33
Motor vehicles	5.26 – 25.00	5.26 – 25.00
Furniture and fittings	6.67 – 50.00	6.67 – 50.00
Kitchen and catering	5.26 – 50.00	5.26 – 50.00
Office equipment	6.25 – 50.00	6.25 – 50.00
Computer equipment	11.11 – 50.00	11.11 – 50.00
Computer software	11.11 – 50.00	11.11 – 50.00

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. However, major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits of the renovation will flow to the company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in operating profit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

1.3 Intangible assets

An intangible asset is defined as an identifiable non-monetary asset without physical substance.

Intangible assets are recognised initially at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on the straight-line basis over the useful lives of the assets. The residual value, amortisation method and useful life, if not insignificant, are reassessed annually, with the effect of any changes in estimate accounted for on a prospective basis.

	AMORTISATION PER YEAR
Useful life of acquired software licences	33,33%

Intangible assets are derecognised on disposal (including disposal through a non-exchange transaction) or when no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset shall be included in surplus or deficit when the asset is derecognised.

1.4 Impairment of assets

1.4.1 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. The CTICC consider cash-generating assets to be those assets which are used to host events, which represent the company's core revenue stream.

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 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 an 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:

- The period of time over which an asset is expected to be used by the entity; or
- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

1. Accounting policies (continued)

1.4 Impairment of assets (continued)

1.4.1 Impairment of cash-generating assets (continued)

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; and
- 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; and
- 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 is a requirement in the standard of GRAP.

After the recognition of an impairment loss, the depreciation 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.

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.

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 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 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 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 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.

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.

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 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 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 asset's 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.

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.

1.5 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.

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

1.6 Inventories

Inventories are recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the entity and if the cost of the inventories can be measured reliably. Inventories are initially measured at cost.

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.

When inventories are utilised or consumed, the carrying amounts of those inventories are recognised as an expense in the period. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. Reversals of any write-downs of inventories arising from the increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

1. Accounting policies (continued)

1.7 Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss.

1.7.1 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.

An entity shall offset current tax assets and current tax liabilities if, and only if, the entity:

- (a) has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.7.2 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 measured at the tax rates that are expected to apply to the period when the asset is released or the liability is settled, based on the tax rates/laws that have been enacted or substantively enacted by the end of 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 net assets, 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.

1.8 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 of money is material, the entity determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current risks specific to the liability.

1.9 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 consideration receivable.

1.9.1 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.

1.9.2 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 to maturity, when it is probable that such income will accrue to the entity.

1.10 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.

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. Assets with maturities greater than 12 months 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 provisions of the instrument. The company recognises financial assets using trade date accounting.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are 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 profit or loss.

1.10.1 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 through the use of a separate allowance account. 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.

1.10.2 Financial liabilities at amortised cost**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 received in advance for upcoming events are recognised at amortised cost and are derecognised and accounted as revenue when the event occurs.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancels or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

1. Accounting policies (continued)

1.10 Financial instruments (continued)

1.10.3 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 cash balances are impacted by 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.

1.10.4 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.

1.11 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.

1.12 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.

1.13 Employee benefits

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 amounts for employee entitlements to salaries, performance bonus 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. There are no critical assumptions or judgements involved in determining the short-term employee benefits.

Defined contribution plan

The majority of the company's employees are members of the defined contribution plan. A defined contribution plan is a provident fund under which the company pays fixed contributions into a trustee administered fund.

The company's contributions to the defined contribution plan are charged to the statement of financial performance in the financial year to which they relate.

The company has no further payment obligations once the contributions have been paid.



1.14 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 Supply Chain Management Policy.

Irregular expenditure that was incurred and identified during the current financial year, which was not condoned, must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt amount must be created if such person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, write-off of the amount must be considered.

Where irregular expenditure is not condoned, it is accounted for as expenditure in the statement of financial performance and classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance. However, the irregular purchases of assets are accounted for in the statement of financial position and will be disclosed in the financial statements as irregular expenditure.

1.15 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.

1.16 Comparative information

Comparative figures are classified 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.

1.17 Investment

Investments in subsidiary companies are stated at cost, less impairment losses.

1.18 Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

1.19 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 2017 to 30 June 2018. 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.

The budget information is prepared for Cape Town International Convention Centre Company SOC Ltd (RF).

1.20 Related parties

The related party accounting policy were formulated using the definitions as noted in IPSAS 20.

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.

Key management personnel are regarded as a related party and includes Board members, as well as other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity. Where they meet this requirement key management personnel include any key advisor of key management personnel, as well as the senior management group of the reporting entity.

Close members of the family of an individual are close relatives of the individual or members of the individual's immediate family who can be expected to influence, or be influenced by, that individual in their dealings with the entity.

All related party transactions are disclosed.

1.21 Value-added tax (VAT)

The Company accounts for VAT on an invoice basis.

1.22 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).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

2. Property, plant and equipment

	2018				2017			
	COST	ASSETS IN PROGRESS COST**	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE	COST	ASSETS IN PROGRESS COST**	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R	R	R
Escalators	6 467 709	8 570 814	7 618 329	7 420 194	3 985 310	8 570 814	2 105 992	10 450 132
Elevators	8 838 685	12 110 254	13 859 329	7 089 610	8 588 446	11 277 107	7 324 185	12 541 368
Carpets/laminated flooring	10 161 912	8 435 000	8 756 922	9 839 990	9 242 705	6 651 558	2 826 497	13 067 766
Curtains/blinds	62 600	6 292 600	3 244 045	3 111 155	62 600	1 953 742	12 890	2 003 452
Signage	3 774 684	–	2 029 541	1 745 143	3 674 242	–	1 541 212	2 133 030
Audiovisual	9 686 230	–	8 094 061	1 592 169	8 942 424	–	7 917 836	1 024 588
Fences and gates	1 276 960	–	729 945	547 015	953 706	–	666 209	287 497
Cold rooms	3 301 547	1 550 000	3 704 775	1 146 772	3 301 547	1 550 000	2 730 733	2 120 814
Air-conditioning system	35 227 682	37 987 245	46 670 777	26 544 150	34 974 029	57 895 086	26 007 949	66 861 166
Sprinkler system	5 130 829	13 692 737	11 755 742	7 067 824	4 746 371	10 816 588	4 746 371	10 816 588
Auditorium seating	1 744 982	–	1 075 992	668 990	1 744 982	–	345 227	1 399 755
Building management system	16 761 852	–	11 813 315	4 948 537	16 808 333	–	10 451 299	6 357 034
Building	922 053 118	255 444 787	774 205 577	403 292 328	479 320 246	632 222 608	391 670 981	719 871 873
Plant and equipment	11 015 508	61 331 215	36 834 885	35 511 838	7 316 864	49 432 728	4 491 564	52 258 028
Motor vehicles	1 688 179	–	1 473 820	214 359	1 688 179	–	1 329 564	358 615
Furniture and fittings	20 520 809	–	9 570 230	10 950 579	12 326 330	–	9 114 797	3 211 533
Kitchen and catering	29 462 586	–	11 144 666	18 317 920	13 614 977	–	8 842 573	4 772 404
Office equipment	2 240 941	–	910 297	1 330 644	1 598 399	–	549 059	1 049 340
Computer equipment	27 289 296	35 248 338	32 854 614	29 683 020	21 352 049	32 210 305	9 210 215	44 352 139
Computer software*	13 171 985	–	9 752 538	3 419 447	12 785 769	–	5 972 623	6 813 146
	1 129 878 094	440 662 990	996 099 400	574 441 684	647 027 509	812 580 536	497 857 776	961 750 268

* Computer software assets which form an integral part of computer equipment that were previously disclosed together with Computer equipment, have been reclassified and disclosed separately. Separately acquired software licenses are classified as intangible assets. Refer to note 3.

** Assets in progress relate to the capitalised costs incurred on phase 2 of the expansion project which is due for final technical completion during the second half of the 2019 financial year. The amount included in the depreciation/impairment column, relates to the impairment value for the year.



2.1 Assets in progress

Assets in progress relate to the capitalised costs incurred on the expansion of the convention centre (CTICC 2).

The construction project for CTICC 2 was started in 2014 and was originally due for completion in October 2016. The expected completion date of the project has been delayed numerous times and as at the reporting date, final technical completion and final works completion have not yet been achieved due to significant issues affecting the ability to operate the building in the manner intended by management.

Consequently, the company has continued to recognise the costs incurred under "Assets in progress" and has not reclassified all the costs into its separate categories of property, plant and equipment. A portion of the costs (R439 200 617) was, however, capitalised and reclassified to building during the current financial period because the company was able to earn some revenue from the use of the new building after accepting deemed practical completion in September 2017. The building was also officially opened by the Mayor of Cape Town in January 2018. The portion capitalised was determined based on the rentable area of CTICC 2, considering the construction status during the year. Reclassification of the various assets within Assets in progress will be completed upon achieving final technical completion, which is expected to occur during the second half of the 2019 financial year.

Given the significant delays in construction the company has assessed the asset for impairment in accordance with GRAP 26.

Property, plant and equipment that is taking a significantly longer period of time to complete than expected has a cost of R440 662 990 and a carrying value of R199 200 598 (after recognition of an impairment loss of R225 371 048 (2017: Rnil). See note 2.2.

The reason for the delay in completion relates to issues with general workmanship and difficulty in resolving the functionality of vertical transportation (goods lifts and escalators) between the main contractor and sub-contractor. Please also refer note 25, Contingent liabilities.

The carrying amounts of property, plant and equipment can be reconciled as follows:

	2018						
	CARRYING VALUE AT BEGINNING OF YEAR	ASSETS IN PROGRESS ADDITIONS**	OTHER ADDITIONS	DISPOSALS NBV	DEPRECIATION	IMPAIRMENT	CARRYING VALUE AT END OF YEAR
	R	R	R	R	R	R	R
Escalators	10 450 132	–	2 482 399	–	1 128 912	4 383 425	7 420 194
Elevators	12 541 368	833 147	250 239	–	341 521	6 193 623	7 089 610
Carpets/laminated flooring	13 067 766	1 783 442	919 207	–	1 616 460	4 313 965	9 839 990
Curtains/blinds	2 003 452	4 338 858	–	–	12 891	3 218 264	3 111 155
Signage	2 133 030	–	100 442	–	488 329	–	1 745 143
Audiovisual	1 024 589	–	833 805	–	266 224	–	1 592 170
Fences and gates	287 497	–	323 254	–	63 736	–	547 015
Cold rooms	2 120 813	–	–	–	181 317	792 726	1 146 770
Air-conditioning system	66 861 166	(19 907 841)	253 653	–	1 234 772	19 428 056	26 544 150
Sprinkler system	10 816 588	2 876 149	384 458	–	6 408	7 002 963	7 067 824
Auditorium seating	1 399 755	–	–	–	730 764	–	668 991
Building management system	6 357 034	–	–	417	1 408 080	–	4 948 537
Building	719 871 873	62 422 796	3 532 256	–	14 662 903	367 871 694	403 292 328
Plant and equipment	52 258 028	11 898 487	3 698 646	–	976 312	31 367 010	35 511 839
Motor vehicles	358 615	–	–	–	144 256	–	214 359
Furniture and fittings	3 211 534	–	9 049 982	18 104	1 292 832	–	10 950 580
Kitchen and catering	4 772 404	–	18 400 962	132 725	4 722 720	–	18 317 921
Office equipment	1 049 340	–	854 892	2	573 587	–	1 330 643
Computer equipment	44 352 138	3 038 033	6 086 952	632	5 766 193	18 027 279	29 683 019
Computer software *	6 813 146	–	636 765	–	4 030 464	–	3 419 447
	961 750 268	67 283 071	47 807 912	151 880	39 648 681	462 599 006	574 441 684

None of the company's assets are encumbered at the reporting date.

* Computer software assets which form an integral part of computer equipment that were previously disclosed together with Computer equipment, have been reclassified and disclosed separately. Separately acquired software licenses are classified as intangible assets. Refer to note 3.

** Assets in progress relate to the capitalised costs incurred on phase 2 of the expansion project which is due for final technical completion during the second half of the 2019 financial year. The amount included in the depreciation/impairment column, relates to the impairment value for the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

2. Property, plant and equipment (continued)

	2017						
	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS***	ASSETS IN PROGRESS AT END OF YEAR	ADDITIONS	DISPOSALS NBV	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R	R	R	R	R	R	R
Escalators	1 767 485	–	8 570 814	420 699	–	308 866	10 450 132
Elevators	1 678 527	–	11 277 107	149 973	–	564 239	12 541 368
Carpets/laminated flooring	4 354 889	–	6 651 558	3 742 886	301 603	1 379 964	13 067 766
Curtains/blinds	10 267	–	1 953 742	47 000	2 267	5 290	2 003 452
Signage	2 121 357	–	–	586 948	12 213	563 062	2 133 030
Audiovisual	806 522	–	–	556 696	50 000	288 629	1 024 589
Fences and gates	356 308	–	–	38 647	426	107 032	287 497
Cold rooms	794 458	–	1 550 000	–	–	223 644	2 120 813
Air-conditioning system	10 856 894	–	57 895 086	278 388	–	2 169 202	66 861 166
Sprinkler system	10 037	–	10 816 588	–	–	10 037	10 816 588
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)	616 131 264	7 512 707	–	8 887 766	719 871 873
Plant and equipment	2 670 242	250 312	49 432 728	791 436	837	885 853	52 258 028
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	3 211 534
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	–	32 210 305	10 806 427	66 741	3 540 410	51 165 284
Assets in progress**	460 149 735	(796 489 192)	–	336 339 458	–	–	–
	619 425 592	(796 489 192)	796 489 192	367 936 300	1 187 486	24 424 138	961 750 268

None of the company's assets are encumbered at the reporting date.

* Computer software assets which form an integral part of computer equipment that were previously disclosed together with Computer equipment, have been reclassified and disclosed separately. Separately acquired software licences are classified as intangible assets. Refer to note 3.

** Assets in progress relate to the capitalised costs incurred on phase 2 of the expansion project which is due for practical completion during the second half of the 2019 financial year. The amount included in the depreciation/impairment column relates to the impairment value for the year.

*** The reclassification relates to assets reclassified in the year between different classes of assets.

Repairs and maintenance

The following costs were incurred on assets to prolong the useful lives of assets:

	2018 R	2017 R
Service providers	9 544 422	7 246 155
Materials	2 023 070	1 070 694
Total repairs and maintenance expenses	11 567 492	8 316 849

	2018	2017
	R	R
Cost (fully depreciated property, plant and equipment)		
Audiovisual	986 830	986 809
Building	3 612 809	8 290 240
Building management system	–	4 566 763
Carpets/laminated flooring	19 876	–
Curtains/blinds	15 600	–
Signage	–	58 965
Sprinkler system	4 746 371	4 746 371
Air-conditioning system	114 856	140 168
Motor vehicles	3 350	–
Computer equipment	540 097	294 901
Computer software	4 293 061	–
Office equipment	29 709	–
Furniture and fittings	5 923 892	55 917
Artwork	1 321 095	1 321 095
Plant and equipment	350 962	–
Kitchen and catering	2 116 554	–
	24 075 062	20 461 229

2.2 Impairment of the CTICC Building and assets in progress

In line with our accounting policy for cash-generating assets, property, plant and equipment were assessed during the period for possible indicators of impairment.

At the time of making the investment decision in respect of CTICC 2 it was considered that the main purpose of establishing the CTICC 2 centre would be to generate spin-off returns for Cape Town and the Western Cape economy. Consequently, it was foreseen that a significant portion of the returns on this investment would not accrue directly to the company. Nevertheless, the CTICC 2 building has been classified as a cash-generating asset, consistent with the classification of the CTICC 1 building as it is expected to contribute to the company's main revenue streams in the event hosting business. As such, the impairment testing process applicable to cash-generating assets has been applied. The total carrying value of the CTICC 2 centre at the reporting date is included in the balances of Buildings and Assets in progress.

During the review, management considered the significant delay in construction of CTICC 2 as well as the consequential delay and reduction in expected cash flows from that asset as indicators of potential impairment. During the year a portion of the CTICC 2 building cost which was included as part of Assets in progress, was capitalised. The portion capitalised was determined based on the rentable area of CTICC 2, considering the construction status during the year. Management views the Building and Assets in progress as forming part of a single cash-generating unit together with the existing CTICC building, and therefore it is not possible to estimate the recoverable amount for the CTICC 2 centre as an individual asset.

Management estimated the recoverable amount by calculating the value in use of the cash-generating unit (being CTICC 1 and CTICC 2 combined) of R490 617 296 and comparing it to the carrying value of the relevant assets in that cash-generating unit of R953 216 302 at the date of impairment testing.

Therefore the company recognised an impairment loss of R462 599 006, which was apportioned between Assets in progress (R225 371 048) and Building (R237 227 958) and has been disclosed in the Impairment line item on the Statement of Financial Performance.

Consideration, methods and significant assumptions applied in arriving at the value in use

- The main purpose of establishing the centre was to generate spin-off returns for the region. An overall increase will be experienced upon completion of CTICC 2 in the contribution to GDP through the spend of tourists/visitors attending conferences. In contrast to commercial enterprises where the full economic benefit of an asset accrues directly to the entity, a substantial portion of the benefit of CTICC 2 accrues to the hotels, restaurants, transport providers, etc., which positively impacts employment and the GDP of the City and Province.
- 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.
- 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

2. Property, plant and equipment (continued)

2.2 Impairment of the CTICC Building and Assets in progress (continued)

- (d) 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.
- (e) The two buildings of the business as well as the remaining property, plant and equipment are considered a single cash-generating unit for the following reasons:
- CTICC 2 does not operate independently from CTICC 1;
 - the buildings are managed together as part of the event hosting business; and
 - large events are hosted in a combination of venues across the two buildings.

Accordingly, they are evaluated as a single cash-generating unit when testing for impairment.

- (f) The value in use was estimated using a discounted cash flow model which incorporated approved budget figures for a 3 year projection period. Cash flows were forecast for an additional four years assuming inflationary revenue growth of 6% for CTICC 1, and 9.7% revenue growth for CTICC 2 until it reaches a steady state of growth after seven years, in line with inflation.
- (g) A discount rate of 14.04% (2017: 14.2%) was used, which was calculated using the risk-free rate of the R186 bond of 8.84%, adjusted by 5.2% to take into account the company's long-term borrowing cost of 9.55% as well as a market risk premium for uncertainty regarding timing and extent of future cash flows.

Based on the value-in-use calculation, an amount of R491m (2017: R134m) was determined. The current carrying value of R954m (2017: R123m) was established for the relevant assets in that cash-generating unit.

This has resulted in the recognition of an impairment loss of R463m (2017: Rnil impairment).

2.3 Revision of useful lives of property, plant and equipment

During the year the company revised the estimated useful lives of certain items of property, plant and equipment. The change in estimate was necessary as these items were approaching the end of their originally assessed useful lives and management determined that the assets were still going to be in use for an extended period beyond the reporting date as a result of the good condition and maintenance of the assets. The net effect of the changes in the current year was a reduction in the depreciation charge of R7 201 152. The effect on future years will be an overall increase of the same amount over the subsequent financial years.

3. Intangible assets

	2018		
	COST	ACCUMULATED AMORTISATION	CARRYING VALUE
	R	R	R
Software licences	869 065	171 758	697 307
	869 065	171 758	697 307

The carrying amounts of intangible assets can be reconciled as follows:

	CARRYING VALUE AT BEGINNING OF YEAR	ADDITIONS	AMORTISATION	CARRYING VALUE AT END OF YEAR
	R	R	R	R
2018				
Software licences	–	869 065	171 758	697 307
	–	869 065	171 758	697 307

4. Investment in subsidiary

The Company has an investment in the following company:

Unlisted

	2018	2017
	R	R
Cape Town International Convention Centre Operating Company (Pty) Ltd (OPCO)	100	100

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 net asset value of R100.

5. Deferred taxation

Deferred income taxes are calculated on all temporary differences under the balance sheet method using a tax rate of 28%.

The deferred tax balance is made up as follows:

	2018 R	2017 R
Asset/(liability) at beginning of year	3 576 669	2 653 644
Temporary differences	125 987 322	923 025
Asset at end of year	129 563 991	3 576 669
The balance comprises of the following temporary differences:		
Property, plant and equipment	129 563 991	3 576 669
Asset at end of year	129 563 991	3 576 669

6. Inventories

	2018 R	2017 R
Food	392 618	311 756
Beverage	655 457	589 970
Consumables	498 679	228 679
Chemicals	44 683	67 760
Total	1 591 437	1 198 165

7. Trade receivables and other receivables from exchange transactions

	2018 R	RESTATED 2017 R
Trade receivables	10 491 660	2 166 251
Less: Provision for impairment of trade receivables	(1 078 052)	(190 094)
Trade receivables from exchange transactions – net	9 413 608	1 976 157
Prepayments	3 389 280	1 721 611
South African Revenue Services: VAT	5 686 232	8 498 604
Interest receivable (refer to note 16.4 for details of restatement)	1 202 884	1 202 885
Other receivables	104 326	38 417
Total	19 796 330	13 437 674
Trade receivables ageing		
Current (0 – 30 days)	3 011 293	1 553 358
31 – 60 days	594 938	117 116
61 – 90 days	245 274	286 776
91 – 120 days	183 417	42 840
+ 120 days	6 456 738	166 161
Total	10 491 660	2 166 251
Provision for impairment	(1 078 052)	(190 094)
Trade receivables – net	9 413 608	1 976 157
Trade receivables past due and not impaired		
61 - 90 days	53 405	17 725
91 - 120 days	183 419	1 183
Total	236 824	18 908

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

7. Trade receivables and other receivables from exchange transactions (continued)

Trade receivables past due are assessed on an individual basis and provisions are raised based on management's judgement. The amount due from the City of Cape Town relates to costs incurred on behalf of the City relating to the basement expansion. A provision for bad debts has been raised against the amount outstanding of R1 067 989 due to the CTICC as they expect a delay in receiving the payment due to the amount being disputed by the City. Therefore, the amount has been discounted to account for the time value of money.

The carrying value of these trade receivables is denominated in the following currency:
South African Rand.

	2018 R	RESTATED 2017 R
Provision for impairment of trade receivables		
Opening balance	(190 094)	(4 052)
Additional provision	(1 078 052)	(190 094)
Unused amounts reversed	190 094	4 052
Closing balance	(1 078 052)	(190 094)

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.

8. 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

	2018		2017	
	NUMBER OF SHARES	STATED CAPITAL R	NUMBER OF SHARES	STATED CAPITAL R
Issued and fully paid ordinary shares				
Opening 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
Movements	–	–	55 143	193 000 000
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	259 966	1 277 427 701
"A" ordinary shares	245 966	1 137 788 000	245 966	1 137 788 000
"B" ordinary shares	14 000	139 639 701	14 000	139 639 701

9. Client deposits

	2018 R	2017 R
0 – 1 year	26 325 314	19 105 075
> 1 year	1 837 530	582 224
Total	28 162 844	19 687 299

Client deposits are received in advance for upcoming events. Client deposits are paid back to clients if an event is cancelled and an event cancellation fee is payable by the client. As an event can be cancelled at any point in time, the total balance of client deposits is disclosed as current liabilities.

10. Trade payables and other payables from exchange transactions

	2018 R	2017 R
Trade payables	28 237 026	16 617 314
Accruals	43 415 716	39 558 266
Sundry payables	167 608	223 733
Total	71 820 350	56 399 313
The carrying amount of trade and other payables is stated at amortised cost, but due to the short-term nature of trade payables, amortised cost and cost is the same.		
The carrying value of these trade payables is denominated in the following currency: South African Rand		
	28 237 026	16 617 314

11. Provisions

	2018 R	2017 R
Performance bonus provision		
Opening balance	4 959 809	3 537 828
Additional provisions	4 723 383	4 959 809
Prior year provision utilised	(4 959 809)	(3 537 828)
Closing balance	4 723 383	4 959 809

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 reporting date.

12. Operating (loss)/profit

	2018 R	2017 R
Operating (loss)/profit is stated after:		
Other Income		
Insurance recovered	(309 348)	(32 307)
Rental income		
Vexicure Proprietary Ltd t/a Westin and Redefine Properties Limited	(4 495 129)	(4 691 419)
Expenditure		
Auditors' remuneration – audit fee	1 050 311	1 173 089
Loss on foreign exchange	7 697	5 553
Depreciation (property, plant and equipment)	39 648 681	24 424 138
Amortisation	171 758	–
Impairment		
– Property, plant and equipment	462 599 006	–
Repairs and maintenance on property, plant and equipment	11 567 492	8 316 849

13. Revenue from exchange transactions

	2018 R	2017 R
Commissions	21 177 117	19 641 511
Parking	13 970 075	13 421 688
Sales	203 727 404	177 489 047
Total	238 874 596	210 552 246

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

14.1 Finance income and costs

	2018 R	2017 R
Finance income (earned in respect of cash and cash equivalents)	17 829 123	28 824 690
Finance cost (finance costs incurred to financial institutions)	–	(3 016)
Net finance income	17 829 123	28 821 674

14.2 Other income

	2018 R	2017 R
Turnover rental	4 495 129	4 691 419
Sundry income	2 974 195	404 251
Total	7 469 324	5 095 670

15. Taxation

15.1 South African normal taxation

	2018 R	2017 R
Current year	8 397 213	14 906 133
Deferred taxation (refer note 5)	(125 987 322)	(923 025)
Taxation	(117 590 109)	13 983 108

15.2 Reconciliation of effective tax

	2018 R	2017 R
(Loss)/Profit before taxation	(427 346 001)	57 459 520
Tax at statutory rate (28%)	(119 656 880)	16 088 666
Permanent differences	2 066 771	(2 105 558)
Effective tax	(117 590 109)	13 983 108

16. Notes to the cash flow statement

16.1 Cash generated from operations

	2018 R	2017 R
(Loss)/Profit before taxation	(427 346 001)	57 459 520
Adjustment for:		
Depreciation and amortisation	39 820 439	24 424 138
Impairment of property, plant and equipment	462 599 006	–
Finance income	(17 829 123)	(28 824 690)
Asset write-off	151 880	1 187 609
Finance costs	–	3 016
(Decrease)/Increase in provision for bonuses	(236 426)	1 421 981
Increase in provision for impairment of receivables from exchange transactions	887 958	186 042
	58 047 733	55 857 616
Movements in working capital		
Decrease/(increase) in inventories	(393 272)	61 647
Decrease/(increase) in receivables	(7 246 614)	5 649 882
(Decrease)/increase in payables	23 896 582	(25 006 568)
	74 304 429	36 562 577



16.2 Taxation paid

	2018 R	2017 R
Balance at beginning of year	(3 002 222)	1 446 298
Current taxation charged to income statement	8 397 213	14 906 133
Balance at end of year	(1 993 475)	3 002 222
	3 401 516	19 354 653

16.3 Cash and cash equivalents

	2018 R	RESTATED 2017 R
Cash and cash equivalents consist of cash on hand and balance with banks.		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Current accounts	6 138 316	14 140 677
Call and investment accounts	217 475 159	236 683 980
Petty cash	5 500	5 500
Cash float	132 500	130 500
Cash on hand	5 395	24 225
Cash and cash equivalents	223 756 870	250 984 882
The following bank and investment accounts were held by the entity:		
Nedbank – Current Account (Acc Number: 1232043850)	752 804	462 760
Nedbank – Call Deposit Account (Acc number: 03/7881544007/000105)	18 849	17 758
ABSA Bank – Current C (Acc Number: 4072900553)	1 253 490	8 638 605
ABSA Bank – CTICC East – Current Account (Acc Number: 4072900228)	966 979	2 644 927
ABSA Bank – Exh Serv – Current Account (Acc Number: 4072900731)	642 085	23 645
ABSA Bank – Treasury Account (Acc Number: 4073731246)	71 479	68 295
ABSA Bank – Treasury Account (Acc Number: 4073733701)	2 451 479	2 302 446
ABSA Bank – Call Deposit Account (Acc Number: 4074708347)	14 407 371	39 546 307
First National Bank – RMB Investment Account (Acc Number: 00 506 190 167 40)	14 830 872	13 799 821
Stanlib – Corporate Money Market Fund Account (Acc Number: 000-402-184 (1199539) 551436367)	27 739 151	2 535 600
Investec – Corporate Money Market Fund Account (Acc Number: (462097) 1008645)	37 715 476	34 939 933
ABSA Bank – Call Deposit Account (Acc Number: 4083941322)	2 507	924
Nedgroup – Money Market Fund Account (Acc Number: (1800167964) 8319631)	28 404 622	48 010 184
Nedgroup – Corporate Money Market Fund C2 Account (Acc Number: (1452-027-900) 8319631)	35 082 376	17 142 909
ABSA Bank – Money Market Fund (Acc Number: 9295637051)	709 231	402
ABSA Bank – CTICC Money Market Fund Account (Acc Number: 09316676360)	13 564 704	35 069 758
ABSA Bank – Guarantee Account (Acc Number: (506009 4072900553) 43939765)	45 000 000	45 620 383

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

16. Notes to the cash flow statement (continued)

16.4 Restatement of prior period error

Following the identification of an error by the auditors, management decided to restate the prior year comparatives in respect of cash and cash equivalents and interest receivable. In the prior year interest receivable on bank and investment accounts was incorrectly classified as part of cash and cash equivalents. These amounts have now been reclassified and reflected under trade receivables and other receivables from exchange transactions. The correction for each of the financial statement line items and notes affected are disclosed below.

Cash and cash equivalents

	2017 AS PREVIOUSLY REPORTED	CORRECTION OF ERROR	2017 RESTATED
	R	R	R
Current accounts	14 140 677	–	14 140 677
Call and investment accounts	237 886 865	(1 202 885)	236 683 980
Petty cash	5 500	–	5 500
Cash float	130 500	–	130 500
Cash on hand	24 225	–	24 225
Cash and cash equivalents	252 187 767	(1 202 885)	250 984 882

The following bank and investment accounts were held by the entity:

Nedbank – Current Account (Acc Number: 1232043850)	462 760	–	462 760
Nedbank – Call Deposit Account (Acc number: 03/7881544007/000105)	17 758	–	17 758
ABSA Bank – Current Account (Acc Number: 4072900553)	8 638 605	–	8 638 605
ABSA Bank – CTICC East – Current Account (Acc Number: 4072900228)	2 644 927	–	2 644 927
ABSA Bank – Exh Serv – Current Account (Acc Number: 4072900731)	23 645	–	23 645
ABSA Bank – Treasury Account (Acc Number: 4073731246)	68 295	–	68 295
ABSA Bank – Treasury Account (Acc Number: 4073733701)	2 302 446	–	2 302 446
ABSA Bank – Call Deposit Account (Acc Number: 4074708347)	39 622 400	(76 093)	39 546 307
First National Bank – RMB Investment Account (Acc Number: 00 506 190 167 40)	13 799 821	–	13 799 821
Stanlib – Corporate Money Market Fund Account (Acc Number: 000-402-184 (1199539) 551436367)	2 751 458	(215 858)	2 535 600
Investec – Corporate Money Market Fund Account (Acc Number: (462097) 1008645)	35 163 486	(223 553)	34 939 933
ABSA Bank – Call Deposit Account (Acc Number: 4083941322)	924	–	924
Nedgroup – Money Market Fund Account (Acc Number: (1800167964) 8319631)	48 356 444	(346 260)	48 010 184
Nedgroup – Corporate Money Market Fund C2 Account (Acc Number: (1452-027-900) 8319631)	17 254 760	(111 851)	17 142 909
ABSA Bank – Money Market Fund (Acc Number: 9295637051)	402	–	402
ABSA Bank – CTICC Money Market Fund Account (Acc Number: 09316676360)	35 299 028	(229 270)	35 069 758
ABSA Bank – Guarantee Account (Acc Number: (506009 4072900553) 43939765)	45 620 383	–	45 620 383
	252 027 542	(1 202 885)	250 824 657

Trade receivables and other receivables from exchange transactions

Interest receivable	–	1 202 885	1 202 885
Trade receivables and other receivables from exchange transactions	12 234 789	1 202 885	13 437 674

CASH FLOW STATEMENT

Cash flow from operating activities

Finance income received	28 824 690	(1 202 885)	27 621 805
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17. Expenses by nature

	2018 R	2017 R
Depreciation	39 648 681	24 424 138
Amortisation	171 758	–
Impairment of property, plant and equipment	462 599 006	–
Employee-related costs (note 19)	57 477 767	55 545 476
Cost of sales	29 891 260	23 161 868
Marketing and advertising costs	10 263 749	6 262 378
Other expenses	91 638 582	77 619 225
Total cost of sales and operating expenses	691 519 045	187 013 085

18. Related parties**18.1 Holding company**

The company is controlled by the City of Cape Town, which owns 71.4% (2017: 71.4%) of the company's shares. The remaining shares are held by the Western Cape Government, which owns 23.2% (2017: 23.2%) and SunWest International (Pty) Ltd, which owns 5.4% (2017: 5.4%). 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, Convenco 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, Convenco 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.

	2018 R	2017 R
Related party transactions – City of Cape Town		
Rates and taxes	3 000 320	4 803 877
Electricity	13 642 596	11 289 706
Water	1 566 735	1 252 082
Lease P1 Parking (including refuse, sewerage, rates and water)	3 466 277	3 334 774
Related party transactions – Other		
Y-Waste Solutions CC*	10 400	–
Related Party Balances		
Amounts owing to City of Cape Town	948 194	3 125 889
Amounts due by City of Cape Town**	6 404 715	–

* Waste management service supplier where the manager's spouse (SW 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 costs incurred on behalf of the City relating to the basement expansion. A provision for bad debts has been raised against the amount outstanding of R1 067 989 due to the CTICC as they expect a delay in receiving the payment due to the amount being disputed by the City. Therefore, the amount has been discounted to account for the time value of money.

18.2 Subsidiary

The Company has only one subsidiary, the Cape Town International Convention Centre Operating Company (Pty) 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

18. Related parties (continued)

18.3 Director's remuneration

	2018 R	2017 R
Non-executive Directors' remuneration		
AA Mahmood	24 645	49 606
AM Boraine	22 228	91 634
BJ Lodewyk	56 977	87 506
EL Hamman	67 446	80 404
RSH Eksteen	–	44 972
S Myburgh-De Gois	59 100	60 490
DA Cloete	72 390	80 819
HV Ntoi	75 096	52 754
S Sibanda	–	29 595
CK Zama	34 777	–
JC Fraser	46 504	–
Executive directors do not receive any directors' fees.		
Executive Directors' remuneration		
CEO's remuneration		
Basic salary	2 136 871	1 996 632
Bonus and performance-related payments	287 656	271 373
Total	2 424 527	2 268 005
Grand total	2 883 690	2 845 785
Key management remuneration		
Basic salary	5 335 760	5 092 358
Bonus and performance-related payments	683 961	527 413
Total	6 019 721	5 619 771
Number of key management personnel	4	4

19. Employee-related costs

	2018 R	2017 R
Salaries and wages	45 195 471	41 914 986
Contributions for UIF, WCA, medical aid, etc.	3 936 000	3 587 172
Provident fund	4 014 334	3 661 245
Overtime	651 773	1 002 287
Performance bonus*	2 513 351	3 625 124
Other: staff transport and health and safety costs	1 166 838	1 754 662
Total employee-related costs	57 477 767	55 545 476
Number of employees	182	184

* During the financial year ending 30 June 2017, an amendment to the bonus policy was approved by the board. The amendment affects the timing of the payment of bonuses.



20. Operating leases**20.1 Lessee**

	1 YEAR R	2 – 5 YEARS R	OVER 5 YEARS R
2018			
Future minimum lease payments (including VAT)	2 992 747	13 185 503	181 003 226
2017			
Future minimum lease payments (including VAT)	3 006 885	13 943 140	301 532 298

In accordance with the lease agreements from the City of Cape Town, the increases in lease payments are negotiated periodically. Management has estimated the value of future minimum lease payment using the historical trend of increase percentages. Therefore, this estimate may change significantly from year to year.

Future minimum lease payments for the operating leases relate to the following leases:

1. City of Cape Town – 99-year lease of land, remaining term 82 years 5 months.
2. City of Cape Town – 50-year lease of P1 Parking garage, remaining term 33 years 3 months.
3. City of Cape Town – 30-year lease Erf 270, option to renew, remaining term 24 years

20.2 Lessor

The Company receives rental income from Vexicure Proprietary Limited t/a Westin and Redefine Properties Limited, which is a percentage based on turnover.

In terms of an agreement dated April 2001, Convenco 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, Convenco 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.

Total rental income received for the period was R4 495 129 (2017: R 4 691 419).

21. Budget information**21.1 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 2017 to 30 June 2018. 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:

- A decrease in revenue to account for the delayed practical completion of phase 1 of the expansion project of CTICC 2; and
- A decrease in interest expense as the Company no longer required a loan to finance a portion of the expansion project.

The reasons mentioned above resulted in an overall decrease in revenue and costs between the approved and final budget amounts.

21.2 Explanation of variances greater than 5% and greater than R1m: Final budget and actual amounts**Statement of financial performance****(i) Direct personnel (R8 024 411 – over)**

The Company had envisaged permanently employing staff previously provided through its labour brokers. As a result of labour relations and basic conditions of employment matters, this migration from direct to indirect personnel costs has been deferred. Therefore, direct personnel costs were higher than budgeted in the current period.

(ii) Parking costs (R2 265 693 – under)

Parking costs include all costs associated with the parking areas. Due to the delay in the construction of CTICC 2, this had the effect that not all the parking garages were functional. Therefore parking costs (e.g. security, cleaning and ticket costs) were lower than expected.

(iii) Finance income (R6 158 130 – over)

Due to steady interest earned from favourable cash balances, finance income was more than budgeted due to the delay in completion of CTICC 2, which resulted in higher than budgeted bank balances throughout the period and therefore a resulting increase in finance income.

(iv) Personnel cost (R24 681 077 – under)

The Company had envisaged permanently employing staff previously provided through its labour brokers. As a result of labour relations and basic conditions of employment matters, this migration from direct to indirect personnel costs has been deferred.

(v) Utility services (R10 859 915 – under)

Utility services were lower during the current period, mainly due to water savings as a result of the drought and a delay in CTICC 2 construction.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

21. Budget Information (continued)

21.2 Explanation of variances greater than 5% and greater than R1m: Final budget and actual amounts (continued)

(vi) Building cost (R1 826 652 – under)

Building costs were marginally lower based on savings achieved with certain suppliers, as well as due to the fact that CTICC 2 was not fully operational as intended in the current financial period.

(vii) Advisors (R3 337 676 – under)

During the current financial period, the CTICC made use of more cost-effective service providers and had less legal expenses due to fewer services required.

(viii) Depreciation, amortisation and impairment asset (R202 897 943 – under)

The initial amount per the budget relating to the impairment expected for the current period was significantly higher than the value-in-use calculation performed at the end of the year. Refer to note 2 for more details.

21.3 Explanation of variances greater than 10% and greater than R2m: Final budget and actual amounts

Capital expenditure

89% of capital expenditure projects were either complete or in progress as at year end.

(i) Building Enhancements (R31 776 896 – under)

Certain projects were delayed in the current financial year, due to availability of the venues being occupied by the contractor to complete work orders, as well as the availability of resources due to the expansion of CTICC 2. These costs were carried over to the 2018/2019 financial period.

(ii) IT and electronic infrastructure (R6 602 879 – under)

Venue availability due to venues being occupied by the contractor to complete work orders, savings relating to decreased costs incurred and a delay in CTICC 2 completion for AV installation. Three boardroom upgrades will be performed in the subsequent period due to the delay in CTICC 2 completion.

(iii) Catering furniture and equipment (R2 927 467 – under)

Old Pier Café refurbishment which was pushed out to the 2018/2019 financial period as the project did not commence.

(iv) Other capex items (R17 457 545 – under)

The unspent capital expenses relate to the timing of expenditure on the CTICC 2 expansion programme delays and revamping of CTICC 1.

Capital expenditure relates to the operation and has no impact on service delivery.

21.4 Revenue and other income reconciliation

Classification of certain income and expenditure differs in instances from the statement of financial performance compared to statement of comparison of budget and actual amounts.

	2018 R
Revenue per the statement of financial performance	238 874 596
Other income per statement of financial performance	7 469 324
	246 343 920
Revenue per the statement of comparison to budget	205 009 496
Other income per statement of comparison to budget	41 334 424
	246 343 920
Cost of sales and operating expenses	
Cost of sales per the statement of financial performance	29 891 260
Expenses per the statement of financial performance	
Operating expenses	199 028 778
Impairment	462 599 006
	691 519 044
Finance costs included in indirect expenditure	–
Direct costs per the statement of comparison to budget	50 916 564
Indirect costs per statement of comparison to budget	640 602 480
	691 519 044



22. Financial instruments

22.1 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 British Pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The company has no exposure to foreign exchange risk on its revenues as all its invoicing, including invoicing to foreign clients is denominated in South African Rands.

Limited foreign exchange risk exposure arises from payments to third parties denominated in foreign currency, which includes membership fees, advertising and marketing spend, and conference attendance costs.

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 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.

	2018 R	2017 R
Cash and cash equivalents	223 756 870	252 187 767
Increase/Decrease in interest rates	1%	1%
Net surplus (post-tax)	1 611 049	1 815 752

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 is 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 who 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:

	2018 R	2017 R
Key accounts customers	3 436 951	1 713 962
Other accounts customers	639 931	262 195
High risk customers	10 063	190 094
Related party recoverable*	6 404 715	–
	10 491 660	2 166 251

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. This amount has been assessed for recoverability and a provision of R1 067 989 was raised to account for the time value of money as the CTICC believes that this amount will be recovered within the next 24 months.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

22. Financial instruments (continued)

22.1 Risk management (continued)

Liquidity risk

The liquidity risk is the risk that the company will not have sufficient financial resources to meet all obligations as they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows from revenue inflows and capital and operational outflows. The entity manages liquidity risk through an ongoing review of its future commitments and available resources by preparing regular cash flow forecasts. 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	2 – 6 MONTHS	GREATER THAN 6 MONTHS	TOTAL
	R	R	R	R
2018				
Client deposits	7 941 433	16 982 942	3 238 469	28 162 844
Trade payables and other payables from exchange transactions	17 854 717	53 965 633	–	71 820 350
	25 796 150	70 948 575	3 238 469	99 983 194
2017				
Client deposits	4 611 570	8 643 350	6 432 379	19 687 299
Trade payables and other payables from exchange transactions	16 088 691	40 310 622	–	56 399 313
	20 700 261	48 953 972	6 432 379	76 086 612

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 trade 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 net assets, shown in the statement of financial position, plus net debt.

The gearing ratios as at 30 June 2018 and at 30 June 2017 were as follows:

	2018 R	2017 R
Cash and cash equivalents	223 756 870	252 187 767
Less: Trade payables and other payables from exchange transactions	(71 820 350)	(56 399 313)
Net cash	151 936 520	195 788 454
Total equity	691 211 147	957 115 104
Total capital	843 147 667	1 152 903 558
Gearing ratio	18%	17%



22.2 Financial instruments by category

The accounting policies for financial instruments have been applied below:

	2018
	FINANCIAL ASSET MEASURED AT AMORTISED COST
Assets as per financial position	R
Trade receivables and other receivables from exchange transactions	9 517 934
Cash and cash equivalents	223 756 870
	FINANCIAL LIABILITY MEASURED AT AMORTISED COST
Liabilities per financial position	R
Trade payables and other payables from exchange transactions	71 820 350
Client deposits	28 162 844
	2017
	FINANCIAL ASSET MEASURED AT AMORTISED COST
Assets as per financial position	R
Trade receivables and other receivables from exchange transactions	2 014 573
Cash and cash equivalents	250 984 882
	FINANCIAL LIABILITY MEASURED AT AMORTISED COST
Liabilities per financial position	R
Trade payables and other payables from exchange transactions	56 399 313
Client deposits	19 687 299

23. Supply chain management regulations**23.1 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.

	2018
	R
Total deviations for the year amounted to R13 688 285	
Listed below are material deviations:	
Incident	
Exceptional/Impractical cases	6 695 135
Sole/Single provider	1 256 568
Emergency situation	2 281 448
Minor breaches	3 437 134
Works of art	18 000
	13 688 285

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

(continued)

23. Supply chain management regulations (continued)

23.1 Deviations (continued)

	2017
	R
Total deviations for the year amounted to R17 501 216	
Listed below are material deviations:	
Incident	
Exceptional/Impractical cases	3 949 507
Sole/Single provider	6 403 606
Emergency situation	569 511
Minor breaches	6 578 592
	17 501 216

23.2 According to section 45 of the Municipal 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 (SW 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 in 2018 was R10 400 (2017: R0)

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 in 2018 was R0 (2017: R237 908).

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 Hospital. The amount of award in 2018 was R0 (2017: R838 842).

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 the service of the state as Chairperson – Parliament Committee of Higher Education and Training. The amount of the award in 2018 was R0 (2017: R296 823).

24. Capital commitments

	2018	2017
	R	R
Commitments in respect of capital expenditure		
CATEGORY		
Other capex items	27 738 154	112 799 734
Total capital commitments	27 738 154	112 799 734

25. Contingent liabilities

The CTICC is subject to various claims which have arisen from the expansion project brought about by the Principal Building Contractor and other professional services consultants. The company is also expecting to incur legal fees in the process of responding to these claims. The claims that will be dealt with in the next financial year do not represent a financial risk to the CTICC as the CTICC is seeking to recover monies already paid. Claims which will be dealt with beyond the next financial year as well as any related legal fees are not quantifiable at this time.

26. 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.



CORPORATE INFORMATION

as at 30 June 2018

Country of incorporation and domicile	South Africa
Registration number	1999/007837/30
Nature of business and principal activities	Convention centre hosting conferences, exhibitions, trade shows and special events
Directors	HV Ntoi JM Ellingson S Myburgh-De Gois SW Fourie El Hamman DA Cloete JC Fraser CK Zama
Presentation currency	South African Rands ("R")
Registered and business address	Convention Square 1 Lower Long Street Cape Town 8001 Western Cape
Postal address	PO Box 8120 Roggebaai Cape Town 8012 Western Cape
Company Secretary	Kilgetty Statutory Services (Pty) Ltd
Preparer of annual financial statements	Prepared under the supervision of the Accounting Officer, Cape Town International Convention Centre Company SOC LTD (RF)
Bankers	Nedbank ABSA Bank First National Bank Stanlib Investec
Shareholding	City of Cape Town (71.4%) Western Cape Provincial Government (23.2%) SunWest International (Pty) Ltd (5.4%)

UNITED NATIONS GLOBAL COMPACT INDEX

No.	Principle	Met	Page reference
1	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	✓	2-3, 14-16, 67-69, 86-91
2	Principle 2 – Businesses should make sure they are not complicit in human rights abuses.	✓	89
3	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	✓	87
4	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour.	✓	87
5	Principle 5 – Businesses should uphold the effective abolition of child labour.	✓	87
6	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	✓	2-3, 14-16, 67-69, 86-91
7	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	✓	101, 102, 104
8	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	✓	3, 8, 16-17, 26-28, 58, 83-84, 100-109
9	Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	✓	70, 102, 104, 106
10	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	✓	111, 114





Connecting the world to the CTICC



CTICC 1
Convention Square,
1 Lower Long Street,
Cape Town 8001, South Africa
GPS co-ordinates: -33.915141°, 18.425657°

CTICC 2
Corner of Heerengracht & Rua Bartholomeu Dias,
Foreshore,
Cape Town 8001, South Africa
GPS co-ordinates: -33.91747°, 18.42908°

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