CTICC

2014 Integrated Annual Report

Your first choice international convention centre

Cape Town International Convention Centre

About this report

Welcome to the Cape Town International Convention Centre's (CTICC) second consecutive Integrated Annual Report for the period 1 July 2013 to 30 June 2014.

This report covers all the significant operations of the CTICC, including existing buildings and related business activities. Limited reporting is included on the CTICC East expansion programme.

The CTICC has enhanced reporting on stakeholder engagement and the derivation and description of material issues. Where restatements of information have been necessary, these have been noted. Intensity indicators have been introduced, with delegate days as the denominator, in order to provide comparability before and after the expansion.

In preparing this report, the CTICC considered the International Integrated Reporting Council (IIRC) guidelines, and has declared a B+ application level in terms of the Global Reporting Initiative (GRI G3.1).

The CTICC's Nurture Our World (NOW) team completed the materiality assessment for this report, and was assisted in doing so by an external sustainability consultant. The key material issues were identified using the recommended GRI materiality process, following the 'identify, prioritise and validate' approach. Information and data on these material issues are disclosed throughout the report and the related GRI content index can be found on page 139.

Additional indicators were explored in a materiality workshop held in April 2014. This allowed certain new indicators to be explored according to their materiality to the CTICC. These have been adopted where possible. This has allowed for more detail in reporting in certain sections.

The Convenco Board acknowledges its responsibility to ensure the integrity of this report. It believes it addresses all material issues and fairly reflects both the performance of the Company, as well as its future prospects. The annual financial statements were assured by the Auditor General of South Africa, and EY provided limited independent assurance over the self-declared GRI application level (see page 139).

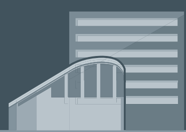
Use the 'Contents' index on the opposite page to find all relevant information pertaining to the organisational structure, business model, material issues, strategy, performance across key areas, governance and financial statements. The GRI index can be found on page 139. The limited assurance conclusion can be found on the CTICC website.

The CTICC does not have any joint ventures, subsidiaries or leased facilities. Other than the limited reporting on the CTICC East expansion programme, which is still in the initial stages, there are no specific limitations on the scope of the report. The CTICC East expansion programme will result in changes to reporting comparability and scope in the future.

For more information on this report, contact Olivia Bruce, Marketing and Sustainability Manager on telephone +27 21 410 5000 or email olivia@cticc.co.za.

The incorporation of the illustrative global landmark icons reinforce the CTICC as a "Global Village in Conference" - a landmark destination, standing amongst and recognised as one of the world's most iconic landmarks.

Contents



The CTICC's vision is to become the best long-haul international convention centre by 2020. While this vision entails contributing significantly to the growth and revenue of tourism in South Africa, it is certainly not driven exclusively by commercial interests.

R2.8 billion

Western Cape Gross Geographic Product (GGP) for 2013/14

R3.1 billion

National Gross Domestic Product (GDP) for 2013/14

↑3%

Tax revenue

from **R283 million** to **R291 million**

Total Revenue

↑11.4%

from **R154 million** to

R172 million

in 2013/14

10 000 m²

Additional flexible exhibition space to be added by 2017

R1.22 million

Visitor days

7 649

Direct & indirect jobs

were sustained throughout SA

535

Total events

6%

BBBEE procurement up from 72%

17.3%

Electricity saved per delegate since 2012

R1.6 million

saved on utility budget during 2013/14

85%

of total consumables recycled

10.3%

Carbon footprint from Scope 2 emissions down since 2012

43%

Water consumption saved per delegate since 2011

NURTURE OUR WORLD

we are a green conscious convention centre

Economic *Expansion* *Environmental* *Operations*

Forewords

Message from the Executive Mayor of Cape Town

Alderman Patricia de Lille
Executive Mayor:
City of Cape Town

The City of Cape Town has a vision to be an opportunity city and to create the necessary enabling environment for economic growth, job creation and service. The achievement of this vision is being realised through a strategy that centres on building an inclusive, safe, caring, opportunity and well-run city.

As the City's only municipal entity, the CTICC plays a key role in the delivery of many of these strategic imperatives, not least because a key component of the City's Integrated Development Plan involves establishing Cape Town as the events capital of the African continent and one of the leading business and leisure tourism destinations in the world.

The CTICC's passion for transforming lives and connecting people through exceptional experiences is a key driver of this ambition. In the 11 years since the centre first opened its doors, it has proven itself highly adept and successful at creating real opportunities for people from all corners of the globe to gather, share ideas, discover, design and innovate.

As a result, for the last decade, the CTICC has helped to build the economy of our city and, as a consequence, deliver opportunities for all its citizens. As a direct consequence of its success in this regard, the centre has reached the enviable position of experiencing demand that is consistently outstripping its ability to deliver the required space.

So, after more than a decade of investing in Cape Town, the Western Cape and South Africa, the time has arrived for the CTICC to invest in itself and, while this financial investment is significant, the returns promise to be extremely rewarding.

We at the City of Cape Town are very pleased and extremely proud to be an integral part of this important next phase of the CTICC's success story. We look forward to watching the new CTICC East building take its place on the Cape Town foreshore in the coming months and years and to the CTICC taking its place as the leading long haul convention centre by 2020.

Alderman Patricia de Lille
Executive Mayor: City of Cape Town

@PatriciaDeLille

Message from the Premier of the Western Cape

Helen Zille
Premier of the Western Cape

As the CTICC enters the next exciting chapter in its exceptional success story, the Western Cape Government is immensely proud to support and endorse the centre's continued efforts and congratulate it on the excellent performance it has delivered in the past year, and decade.

For us, the CTICC represents the very best of what the Western Cape stands for, namely a place in which all people enjoy open and equal opportunities to build the futures they desire and deserve.

The CTICC epitomises such opportunity creation, not only through the thousands of jobs it creates directly and indirectly every year, but also through the example it presents both the public and private sectors of South Africa of what can be achieved through passion, determination and a sincere commitment to consistent excellence.

Thanks to the CTICC's demonstration of these characteristics over the years, the centre has become a key contributor to local, provincial and national government's ability to deliver on its social development commitments and obligations. It is only through strong partnerships with forward-thinking organisations like the CTICC that our region and country will continue to grow its appeal as a global investment destination. As it does, the centre will continue to position itself to deliver the opportunities and means by which our country and its people can transform themselves and their futures.

Under the guidance of its board, management and dedicated staff, the CTICC continues to raise the profile of Cape Town and the Western Cape as world-class destinations for business tourism and events. In the process, the centre continues to steadily increase its direct contribution to both regional and national economic growth, create employment opportunities, and engender a sense of national pride in the experiences offered to the world.

My heartfelt congratulations to the CTICC on another excellent year and on taking the first bold steps on its exciting expansion journey. I look forward, with confidence, to observing and, indeed, being a part of the bright future of this iconic convention centre.

Helen Zille
Premier of the Western Cape

@helenzille

Message from the Chairman of Convenco

Gary Fisher
Chairman: Convenco

I am honoured to be serving as Chairman of the Convenco Board particularly during such an exciting time for the CTICC. The launch of the centre's much-anticipated expansion is the pinnacle of 11 years of consistently outstanding performance.

While the continued strong socio-economic contribution by the CTICC undoubtedly lends credence to the expansion imperative, the process of getting to the point of commencing with construction has involved inevitable challenges. The most significant of these was the claim of unfairness made regarding the process of awarding the architectural design tender for the expansion project.

As a state-owned entity, the CTICC takes any such claims seriously. The Convenco Board therefore co-operated fully with the City of Cape Town's team that was requested by the Public Protector to investigate the claims. In August 2013, the board received a comprehensive report, which significantly found no evidence of any corruption or collusion by any parties in the tender process.

To further validate these findings, the board then undertook its own exhaustive internal investigation process. While there were certain minor flaws in the tender process, it was found that these did not constitute grounds to overturn the tender award, and CTICC officers were cleared of wrongdoing.

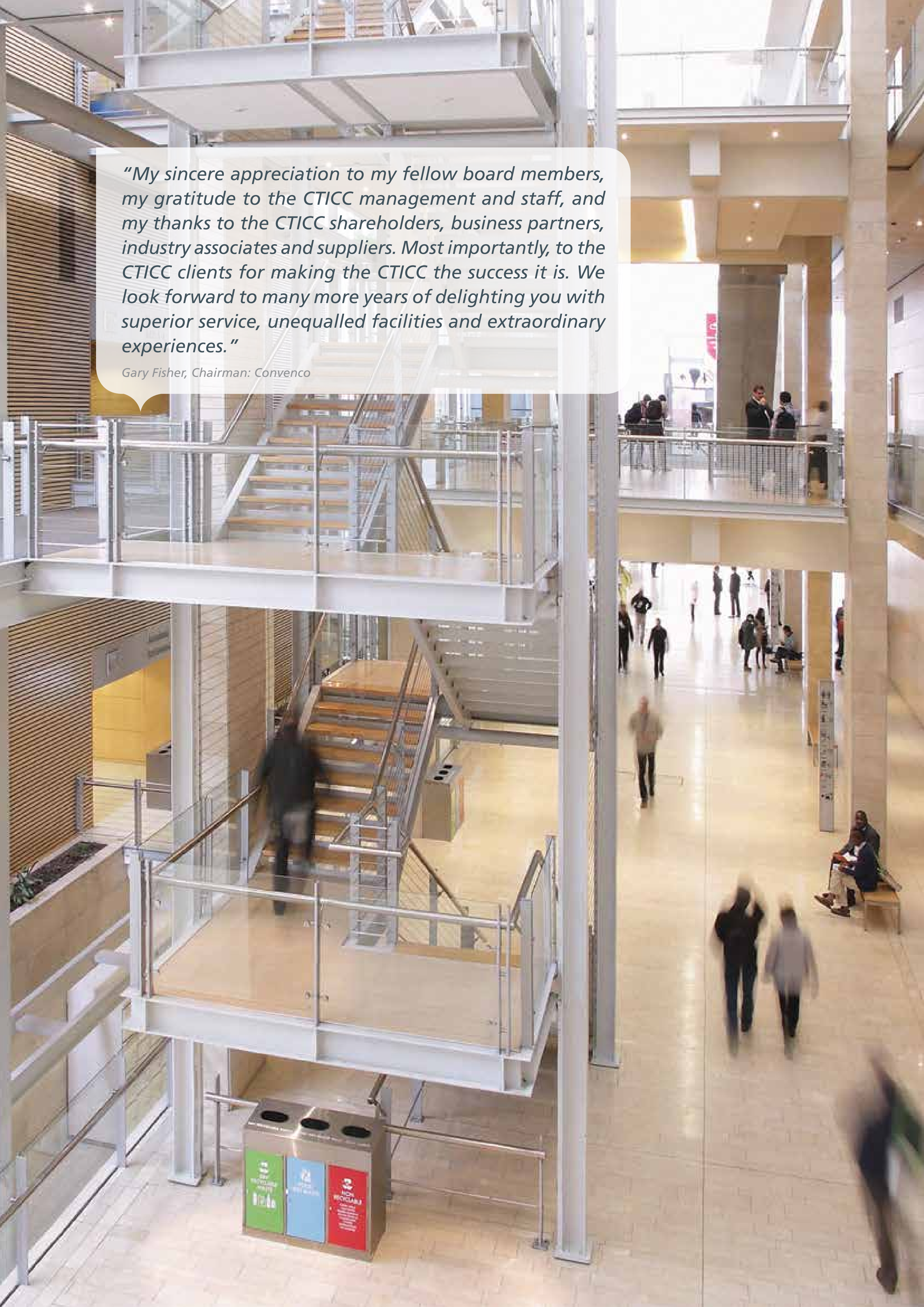
With this investigation now behind us, the CTICC is forging ahead with its expansion and ground was broken in July 2014. CTICC East is scheduled for completion in early 2017.

The first year of my tenure also coincided with the final year of Rashid Toefy's term as CEO. We are sad to see him leave, and are infinitely grateful for the many great achievements he has led the centre to in his time at the helm. He leaves the CTICC with a legacy of true leadership and under his guidance and mentorship, the centre's executive management team has developed into a formidable force in the national and international events industries. I look forward to working with this exceptional team of professionals, along with our new CEO, Julie-May Ellingson, in the years to come.

My sincere appreciation goes to my fellow board members for your dedication and commitment to the success of the CTICC. My gratitude also to the CTICC management and staff for your unwavering dedication and professionalism, both of which are indispensable to the continued success of the centre.

Finally, my thanks to the CTICC shareholders, business partners, industry associates and suppliers, for your valuable support and, most importantly, to the CTICC clients for making the CTICC the success it is. We look forward to many more years of delighting you with superior service, unequalled facilities and extraordinary experiences.

Gary Fisher
Chairman: Convenco



"My sincere appreciation to my fellow board members, my gratitude to the CTICC management and staff, and my thanks to the CTICC shareholders, business partners, industry associates and suppliers. Most importantly, to the CTICC clients for making the CTICC the success it is. We look forward to many more years of delighting you with superior service, unequalled facilities and extraordinary experiences."

Gary Fisher, Chairman: Convenco

"Entering its second decade, the CTICC continues to build on the strong forward momentum that has characterised the business since it first opened its doors."

Rashid Toefy,
Former Chief Executive Officer
Cape Town International Convention Centre

Review by the former CEO

The past financial year saw the CTICC continue on its journey of exceptional success and industry-leading sustainability. As the centre entered its second decade, it continued to build on the strong forward momentum that has characterised the business since it first opened its doors.

Rashid Toefy:
Former Chief Executive Officer
Cape Town International Convention Centre

The outstanding results achieved by the CTICC in the 2013/14 financial year make for a compelling start to what promises to be an incredibly exciting second chapter in the success story being written by Cape Town's iconic convention centre. It is a success story that continues to be characterised by passion, teamwork, strong partnerships, and a plot that many would say has defied all probability. That's because, in just 11 short years, the CTICC has risen to a position of prominence as one of the most appealing events and conferences destinations in the world, with a solid reputation for service delivery and experience excellence.

In the past 12 months, the centre has firmly cemented this enviable reputation thanks to a set of financial results that any commercial business of the same age would be very proud to present to the world. Total revenue increased by 11.4% year on year, coming in at a full 6% above target.

In the face of increasing space and capacity constraints, which resulted in some lost bookings and business, we still managed to host significantly more events than targeted for the year. Perhaps most importantly, we continued to grow the overall contribution of the CTICC to national and regional economic growth during 2013/14, thereby delivering tangible benefits to people, communities and businesses across South Africa. In fact, our 2013/14 contribution of R3.1 billion to national Gross Domestic Product (GDP) and R2.8 billion to Western Cape Gross Geographic Product (GGP) brings the cumulative amounts the centre has added to GDP and GGP to a staggering R25.4 billion and R22.6 billion respectively.

Expansion to accommodate growth

What better way to cap off a year of solid performance than by witnessing the beginning of the expansion of the CTICC. After many years of deliberation and planning, the first sod was turned on the site of CTICC East and in less than three short years, Cape Town and the Western Cape will begin to derive the immense benefit that will undoubtedly be unlocked when the expansion is complete.

In recent years, the business case for the CTICC expansion has become increasingly compelling. Given the excellent work done by the Commercial and Business Development team in promoting our centre, combined with the professionalism and service excellence of our Food and Beverage and Operations teams in creating unforgettable experiences for clients and visitors, business is most certainly thriving at the CTICC.

Based on our promising forward book, these capacity limitations are only set to increase and the expansion will ensure that the CTICC is able to successfully meet the steadily rising demand from exhibition and event organisers.

The CTICC has again renewed its commitment to the United Nations Global Compact (UNGC), and through its extensive involvement in global industry events and associations, continues to raise the profile of the centre on the international stage.

Expansion to accommodate growth (continued)

Importantly, the expansion does not only allow the CTICC to accommodate more bookings in a year, it also prevents the centre from having to turn down business opportunities due to scheduling conflicts. Put another way, the expansion can and will translate into more business, more of the time – and given that this also means the potential to increase the centre's economic contribution per year, the benefits of CTICC East will certainly be felt by everyone in South Africa.

A proven strategy driven by an exceptional team

The success of the CTICC is not only a result of its sales efforts or its proven ability to host exceptional events and conferences. Rather, it is founded in the centre's commitment to creating real and lasting value for all its stakeholders. This philosophy is embodied in its vision to be the best long haul international convention centre by 2020.

The way this vision will be achieved – and I have every confidence that it will be – is through a steadfast commitment to the underlying principle of connecting people and transforming lives through exceptional experiences.

In the time that I have been privileged to serve as CEO of this incredible organisation, I have witnessed the way in which this experience-driven philosophy of excellence has been embedded into the culture of the CTICC. More than that, I have had the honour of watching the steady development and evolution of a leadership team that has the expertise, experience, passion and courage to realise the CTICC's bold vision and then continue to build on it into the future.

They say a chain is only as strong as its weakest link, but I can confidently say that the CTICC's 'chain of command', embodied by the five exceptional people that will now comprise its executive management team, has no weak link. Given that I leave the reins of the centre in the more than capable hands of Aage Hansen, Megan Arendse, Fairoza Parker, Miranda Thirion and my extremely accomplished replacement, Julie-May Ellingson, I have no concerns about the future of the CTICC.

I would like to take the opportunity presented by my final CEO's review to thank a number of people who have made my time at the CTICC so immensely rewarding. First and foremost a huge thank you to the aforementioned executive management team without whose support, intelligence, guidance and complementary skills the CTICC would never be where it is today. Thank you, also, to the leadership team and staff at the CTICC for the vital role they have played, and continue to play, in the centre's success and growth.

My sincere appreciation also goes to the Convenco Board, the CTICC shareholders, and our various business partners, all of whom have helped to ensure that my journey as the CTICC CEO has been one of excitement, learning, personal development, inevitable challenges, but most importantly, incredible reward.

Finally, my heartfelt thanks to the CTICC clients. Your unwavering support has been, and will continue to be, the lifeblood of the centre.

I look forward to watching the CTICC continue to grow from strength to strength in the years to come and my wish for the centre is that it continues to reinforce its position as a global thought leader in sustainability, best practice and experience-driven success. In this endeavour, I will certainly always be its number one supporter.

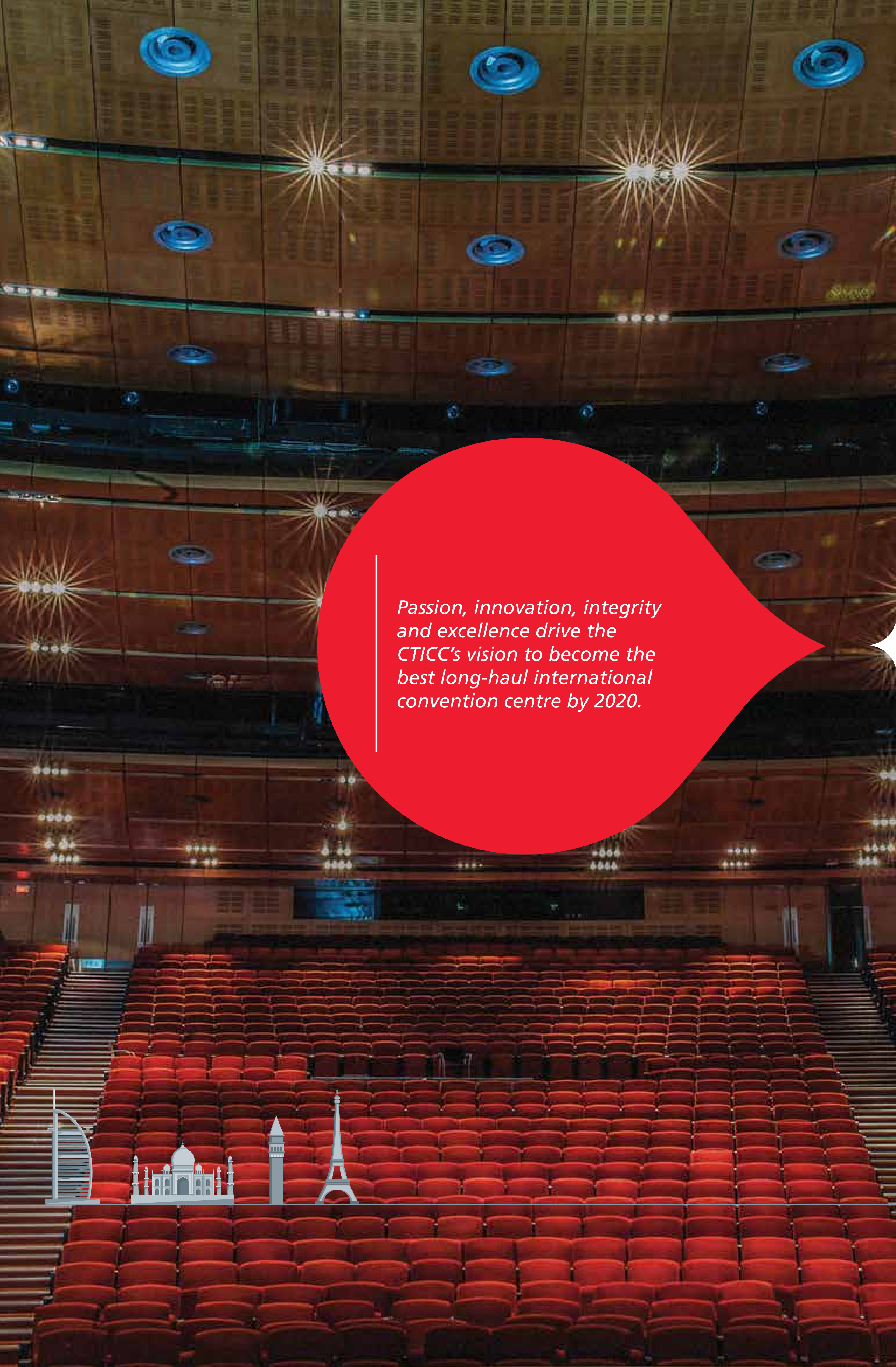
Rashid Toefy
Former Chief Executive Officer
Cape Town International Convention Centre

@Rashid_Toefy

"Hosting exceptional events and conferences is part of the CTICC's commitment to creating lasting value for all its stakeholders."

"In less than three short years, Cape Town and the Western Cape will begin to derive the immense benefit that will undoubtedly be unlocked when the expansion is complete."

Rashid Toefy, Former Chief Executive Officer
Cape Town International Convention Centre



Passion, innovation, integrity and excellence drive the CTICC's vision to become the best long-haul international convention centre by 2020.

About the CTICC

20th Investing in African Mining Indaba 2014

Organisational profile

The Cape Town International Convention Centre Company SOC Ltd (Convenco) owns and manages the business of the CTICC. It was formed in 1999 through a collaboration between the City of Cape Town, the Western Cape Government and the business sector. It is jointly owned by the City of Cape Town, the Western Cape Government and SunWest International (Pty) Ltd.

Shareholding of the CTICC

Financing of the new expansion phase has resulted in changes in the shareholding proportions as illustrated below:

Entity	Share portion in 2013	Share portion as at 30 June 2014
City of Cape Town	50.2 %	62.8%
Western Cape Government	25.1 %	24.9%
SunWest International (Pty) Ltd	24.7 %	12.3%

The CTICC is located in Cape Town, South Africa, but serves markets that include the African continent, Europe and the USA. The centre offers a variety of purpose-built event, exhibition, conference and meeting venues, as well as related hosting services.

Values, ethos, philosophy

The CTICC's vision is to become the best long-haul international convention centre by 2020. The successful realisation of this vision is not measured purely by commercial interests, but also entails the centre's ongoing significant contribution to the growth and revenue of tourism in South Africa.

The centre therefore aims to achieve this vision by elevating its reputation as a truly inspirational business that sets the global standard for excellence in business practices, hospitality and event hosting both locally and internationally.

Objectives

The objectives underpinning the achievement of this vision are:

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

In 2010, the board added a fifth business objective requiring the CTICC to ensure that it remains a fully self-sufficient organisation. This now forms an integral part of the centre's strategy and mission.

Values

The achievement of the centre's vision is driven by its strongly values-driven culture, which is founded on:

- **Passion** – We live to go beyond
- **Innovation** – We create magic that gives us the edge
- **Integrity** – We are transparent in all that we create; and
- **Excellence** – We create superior experiences.

Primary products/services

The CTICC offers a variety of purpose-built event, exhibition, conference and meeting venues. It also offers a variety of event related services typically required to host an event or conference.

- International conference services
- National conference services
- Event management services
- Operational services
- Marketing and corporate communication services; and
- Event-related services, such as IT, audiovisual solutions as well security, cleaning and décor services.

Primary markets served

South Africa, Africa, Europe, USA


CTICC
CTICC

"We have once again met the expectations of the City of Cape Town by delivering on all its Key Performance Indicators (KPIs)."

Megan Arendse,
General Manager: Commercial and Business Development

The year in review

Megan Arendse

General Manager: Commercial and Business Development

Megan has been a member of the CTICC's executive team for almost 10 years. She is responsible for driving the CTICC's commercial and business development strategies, which includes brand positioning, client retention, integrated sales and marketing as well as corporate social responsibility strategies. She has been pivotal in streamlining the business in order to enhance the centre's service offerings and provide extraordinary products and experiences for clients and visitors. She is a passionate, dynamic and effective professional with extensive proficiency across all spheres of management and a proven track record of growing the CTICC's profitability, driving results and positioning the centre as a global leader in the meetings and events industry.

@MeganArendse

The CTICC is steadily evolving from being regarded as purely a meetings and conventions venue into a highly popular destination for special events of all shapes and sizes, including trade fairs, banquets and exhibitions.

Good Food & Wine Show 2014

After a decade of continued growth and steadily improving performance, the CTICC showed no signs of slowing down in its 11th year of operation. In the 2013/14 financial year, the centre increased its total revenue by 11.4% to R172 million from R154 million in 2012/13. This represents a 25.6% increase in top line revenue over the past two years.

Due to costs associated with the delay in the start of the expansion, there was a slight decrease in net profit before tax from R27 million to R26 million in the year under review. This marginally lower net profit did nothing to inhibit the CTICC's continued contribution to the national and Western Cape economies, which benefited from income injections of R3.1 billion and R2.8 billion respectively as a result of the CTICC's operations.

Exceeding shareholder expectations

While the consistently solid financial performance of the CTICC is a sound measure of the centre's ongoing success and growth, as an asset of the City of Cape Town, it also has a responsibility to meet the expectations of this shareholder as articulated in the Key Performance Indicators (KPIs) agreed between Convenco and the City.

These Key Performance Indicators (KPIs) are set at an organisational level and then cascaded through the organisation into departmental, team and individual Key Performance Indicators (KPIs).

Over the past year, the CTICC once again exceeded all its KPIs, ensuring that it continues to serve as a valuable contributor to the City's ability to realise its own vision.

25.6%

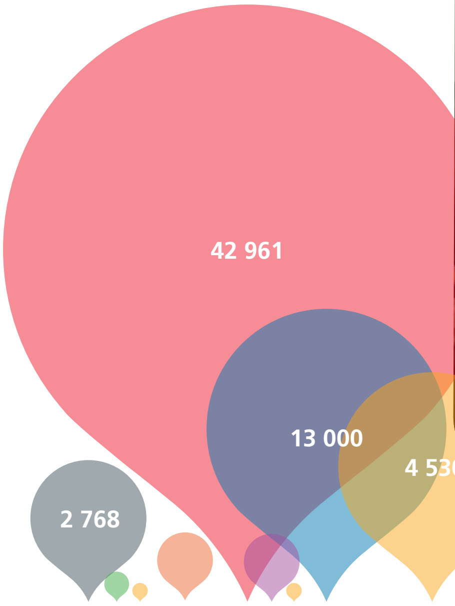
increase in top line revenue over the past two years.

Cape HOMEMAKERS Expo

Key Performance Indicators (KPIs) for the 2013/2014 financial year

Category	Measurement	Actual 2012/2013	Target 2013/2014	Actual 2013/2014
1. Cumulative Events	Number of events hosted compared to budgeted target	537	500	535
International Events	Number of international events hosted compared to budgeted target	N/A	32	33
2. Human Capital Development	Percentage of annual total salary cost spent on training of permanent and temporary staff	5.3%	5%	5.2%
3. Customer centricity and Service Excellence	Rating achieved in independent customer satisfaction survey	82%	75%	82%
4. Procurement	Percentage procurement from BBBEE compliant suppliers (in terms of BBBEE Act 53 of 2003) (minimum of 50%)	72%	50%	78%
5. Budget				
Operating Profit	Percentage achievement of budgeted operating profit	419%	100%	190%
Capital Projects	Percentage of the total number of capital projects for the year completed or committed	95%	80%	100%
Capital Expenditure	Maintain five star standards through effective management of maintenance	Five Star Tourism Grading Council achieved	Five Star Tourism Grading Council Certification	Five Star Tourism Grading Council Certification
6. Governance				
External Audit Report	Unqualified Audit Report	Unqualified Audit Report for 2011/2012 financial year achieved	Unqualified Audit Report for 2012/2013 financial year	Unqualified Audit Report for 2012/2013 financial year achieved
Minimum Competency Level	Number of senior managers registered for MFMA Competency Course	12	7	9
SDA Corporate Governance checklist	Completion and timeous submission of legislative checklist	Legal Compliance Checklist completed by 31 March 2013	Legal Compliance Checklist completed by 31 March 2014	Legal Compliance Checklist completed by 20 March 2014

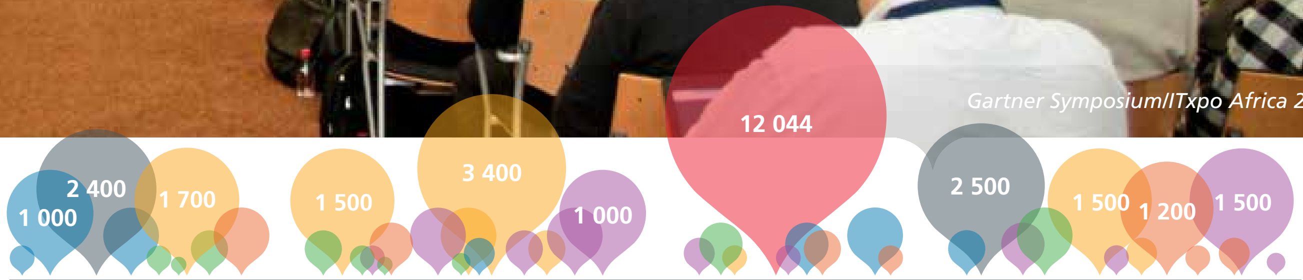
Event highlights



July	August
International conferences	
Laboratory Medicine Conference Congress 2013 ***(831 pax)***	Africa Geospatial Forum 2013 ***(350 pax)*** 19th International Symposium on Dental Hygiene 2013 ***(555 pax)***
National conferences	
	Board of Health Care Funders Annual Congress ***(900 pax)*** Dermatology Congress 2013 ***(355 pax)***
Exhibitions	
Baba Indaba 2013 ***(42 961 pax)*** Factory Shop Exhibition ***(13 000 pax)***	2013 Cape Homemakers Expo ***(37 769 pax)***
Trade fairs	
Industrial Show ***(2 768 pax)***	SPAR Trade Show ***(776 pax)***
Banquets	
FNB Commercial Gala Dinner ***(223 pax)***	*Kuier* Magazine: Pienk Plesier Event ***(1 610 pax)*** Oasis Client Dinner ***(990 pax)*** SAICA Southern Region Annual Dinner ***(500 pax)*** Bellville High School Matric Ball ***(385 pax)***
Special events	
Disney on Ice: Passport to Adventure ***(29 388 pax)*** SA's Got Talent - Theatre Auditions ***(950 pax)*** 2nd World Gym for Life Challenge 2013 ***(4 530 pax)*** Africa's Next Top Model Auditions ***(500 pax)***	Mercedes Benz Fashion Week Cape Town ***(3 990 pax)*** Cape Winemakers Guild ***(390 pax)*** Kleinser 2013 ***(1 500 pax)*** MR & MS FITNESS SA CHAMPIONS ***(1 800 pax)***
Other meetings	
The Locker Room Series ***(115 pax)*** Leadercast 2013 ***(171 pax)*** Internetix ***(810 pax)*** Western Cape Economic Development Partnership Workshop ***(28 pax)*** 2013 GEMS Annual General Meeting ***(386 pax)***	CNN MultiChoice African Journalist Awards Meeting ***(10 pax)*** MTN Power Breakfast ***(185 pax)*** GEMS 6th Annual Symposium ***(350 pax)*** Microsoft SMB Connect Event ***(31 pax)*** The Nuclear Safety Awareness Seminar ***(2 400 pax)***

International conferences · *National conferences* · *Exhibitions* · *Trade fairs* · *Banquets* · *Special events* · *Other meetings*

Gartner Symposium/ITxpo Africa 2013



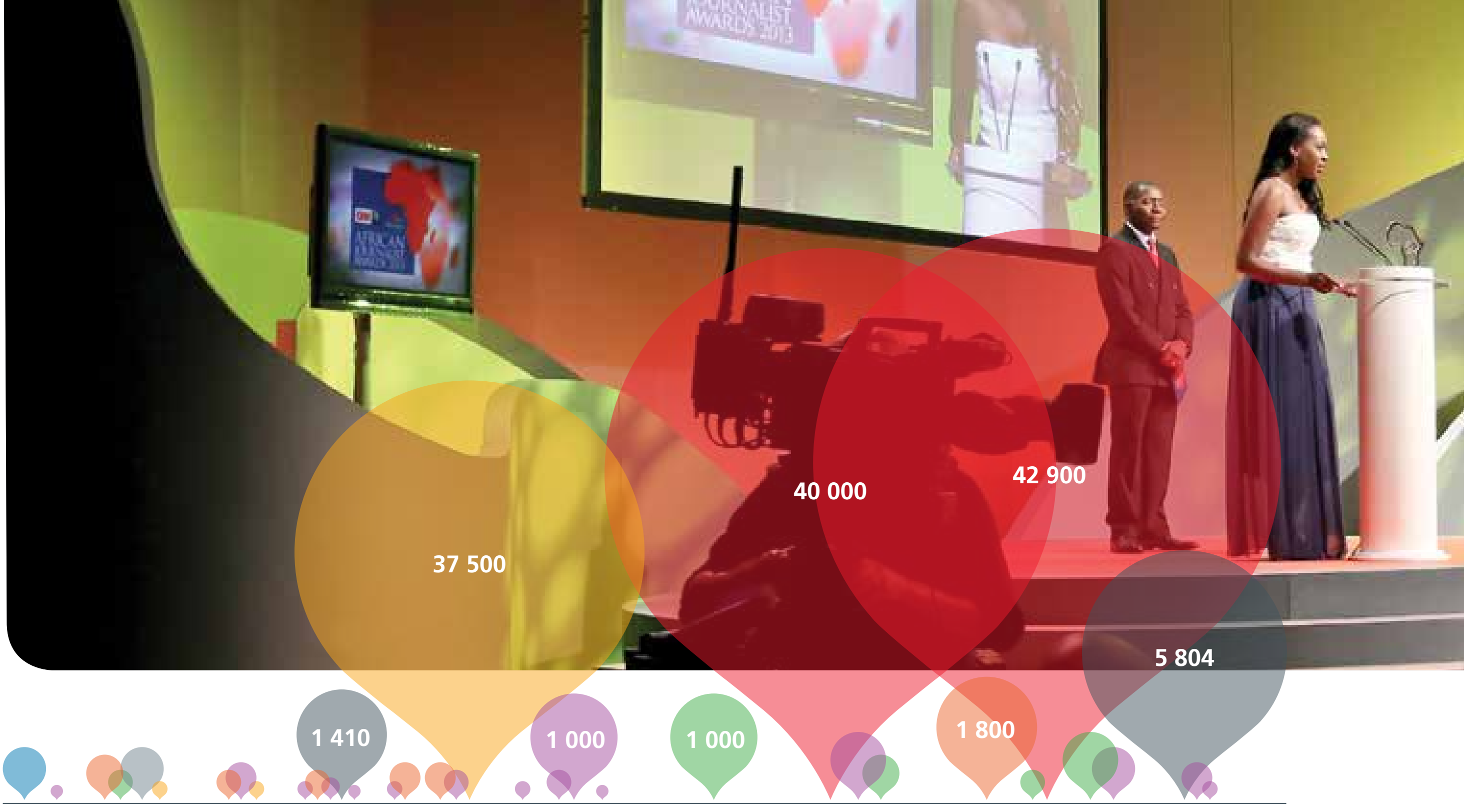
September	October
International conferences	
Options for the Control of Influenza VIII ***(947 pax)*** The International Union of Air Pollution Prevention and Environmental Protection Association World Congress 2013 ***(550 pax)***	UN Principles for Responsible Investment Conference ***(410 pax)*** SABMiller Global Leadership Conference 2013 ***(220 pax)*** World Green Building Council Congress 2013 ***(1200 pax)*** BRICS Co-operative Leaders Meeting ***(290 pax)*** IMN's South African & African Capital Markets Conference ***(350 pax)***
National conferences	
6th Annual E-Tourism Africa Summit ***(288 pax)*** Gartner Symposium/ITxpo Africa 2013 ***(1 000 pax)*** 9th PHASA Conference in collaboration with AFPHA (Medical Research Council 2013 Conference) ***(345 pax)*** WINDaba ***(950 pax)***	15th LIASA Annual Conference ***(580 pax)*** GovTech 2013 ***(880 pax)*** Hospital Association of South Africa Conference ***(450 pax)***
Exhibitions	
	Cape Town International Boat Show 2013 ***(12 044 pax)***
Trade fairs	
Career Indaba ***(2 400 pax)***	Cape Construction Expo ***(2 500 pax)***
Banquets	
Harold Cressy High School Matric Ball 2013 ***(240 pax)*** Pendoring Reklametoekennings ***(490 pax)*** Joe Slovo Engineering High School Matric Ball ***(90 pax)*** Gardens Commercial High School Matric Dance ***(196 pax)*** For the Love of the Game Charity Banquet ***(500 pax)*** Norman Henshilwood High School Matric Ball ***(291 pax)*** Windermere High School Matric Ball ***(80 pax)***	Veritas Wine Awards 2013 ***(776 pax)*** CNN MultiChoice African Journalist Awards ***(600 pax)***
Special events	
Cedar House Celebration ***(800 pax)*** Bonnie Tyler in concert ***(1 700 pax)*** The 35th Loerie Awards ***(3 400 pax)*** SAMSUNG Project H ***(1 490 pax)*** Zahara – Phendula tour ***(1 500 pax)***	Bonitas Medical Fund Product Launch 2014 ***(320 pax)*** JT FOXX Property Tour ***(250 pax)*** Yonatan Razel & Danny K in Cape Town ***(1 500 pax)***
Other meetings	
Perfect China ***(785 pax)*** Department of Arts & Culture Conference ***(200 pax)*** Discovery Health & Vitality Launch ***(800 pax)*** Momentum Health Summit Launch ***(470 pax)*** COSATU Career Day ***(1 000 pax)***	Juta's Annual Labour Law Seminar ***(170 pax)*** South African Labour Law Congress ***(350 pax)*** COSATU Pensioners Show ***(1 500 pax)*** Deloitte Veritas Wine Tasting ***(300 pax)*** State of the Nation Breakfast Series ***(285 pax)*** TechDays 2013 ***(620 pax)***

	November	December
International conferences		
	The International Co-operative Alliance (ICA) General Assembly ***(1 300 pax)*** AfricaCom 2013 ***(800 pax)*** 8th World Congress of the World Society for Paediatric Infectious Diseases ***(2 362 pax)*** 20th Annual Oil Conference ***(3 450 pax)***	17th ICASA Conference – 17th International Conference on AIDS and STIs in Africa 2013 ***(6 500 pax)***
National conferences		
	4th International Conference: Emergency Medicine of South Africa ***(740 pax)*** Maritime and Coastal Security Africa 2013 ***(180 pax)*** South African Local Government Association - National Members Assembly ***(1 200 pax)***	
Exhibitions		
	MamaMagic, The Baby Expo ***(22 688 pax)*** Chocolate and Candy Expo ***(12 000 pax)***	
Trade fairs		
	ATF 2013 ***(700 pax)***	
Banquets		
	BP Year End Function ***(350 pax)*** Casidra Year End ***(90 pax)*** Elkanah House Matric Farewell Dance ***(180 pax)*** Elsies River High School Matric Ball ***(250 pax)***	Spine Road High School Matric Ball ***(274 pax)*** South Peninsula High School Matric Ball ***(314 pax)*** Tafelsig High School Matric Ball ***(230 pax)*** Mondale High School Matric Ball ***(257 pax)*** Steenberg High School Matric Ball ***(300 pax)***
Special events		
		LG cooking competition ***(384 pax)*** Keeping You in Stitches ***(1 480 pax)*** Boogie Wonderland 2 ***(1 500 pax)*** CARL COX NEW YEARS EVE ***(1 580 pax)***
Other meetings		
	Shell CR Exhibition and Gala Dinner ***(700 pax)*** IEEE 2013 Conference ***(144 pax)*** Mitchells Plain School of Skills Graduation ***(140 pax)*** CIMA Exams 2013 Session 2 ***(300 pax)*** Western Cape Economic Development Partnership AGM ***(150 pax)*** Peninsula School Feeding Association AGM ***(150 pax)***	The 12th Mahindra Blue Chip Conference and Dinner ***(500 pax)*** Africa Travel Week Press Conference ***(65 pax)*** CBN Breakfast December 2013 ***(87 pax)*** Ethics 4 All - the annual MPS ethics event ***(1 500 pax)***

International conferences *National conferences* *Exhibitions* *Trade fairs* *Banquets* *Special events* *Other meetings*

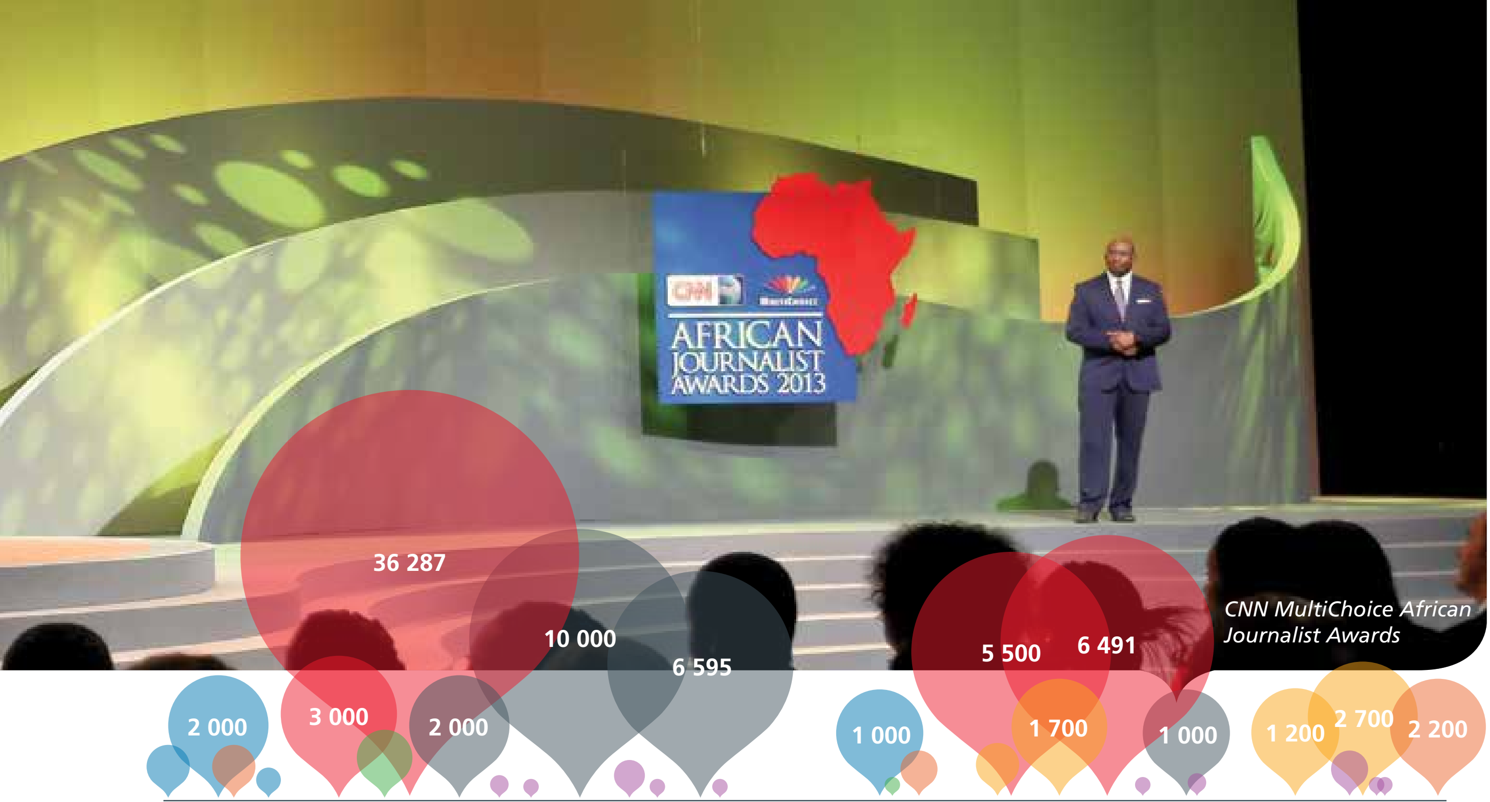
Decorex Cape Town

	January	February
International conferences		
	Oriflame Conference 2014 ***(1 100 pax)***	Investing in African Mining Indaba 2014 ***(6 850 pax)***
National conferences		
		UCT Department of Medicine - General Physicians Conference 2014 ***(450 pax)*** The 17th International Design Indaba ***(2 926 pax)***
Exhibitions		
		Design Indaba Expo ***(40 077 pax)***
Trade fairs		
	Cape Premier Yearling Sale 2014 ***(3 000 pax)***	Professional Beauty Cape Town ***(2 000 pax)***
Banquets		
		Opening of Parliament/State of the Nation Banquet ***(1 500 pax)*** Presidential Golf Challenge 2014 ***(365 pax)***
Special events		
Other meetings		
	CHAN: CAF & LOC offices ***(90 pax)*** Tullow Oil Conference ***(180 pax)*** Cape Town International Jazz Festival Press Conference 2014 ***(200 pax)*** Millionaire Forex Trader Secrets ***(350 pax)***	Standard Bank CIB Economy Roadshow ***(278 pax)*** Fourth Wood Conference ***(326 pax)*** Toyota Regional Conference ***(250 pax)*** Rand Merchant Bank's Fixed Income Seminar ***(200 pax)*** Oceana Power Hour Breakfast ***(43 pax)*** Ernst & Young Budget Breakfast ***(182 pax)***



March	April
International conferences	
Women's Ideas Conference and Trade Fair 2014 ***(400 pax)*** Label Summit South Africa 2014 ***(250 pax)*** AfricaPCR 2014 ***(220 pax)*** POWER-GEN Africa & Renewable Energy World Africa 2014 ***(350 pax)*** Conference of the Parties: Abidjan Convention – COP 11 ***(300 pax)***	International Congress of Infectious Diseases 2014 ***(1 800 pax)***
National conferences	
Smart Procurement World 2014 ***(650 pax)***	
Exhibitions	
	Old Mutual Two Oceans Marathon Expo ***(40 000 pax)*** Decorex Cape Town ***(42 900 pax)***
Trade fairs	
Sign Africa and Africa Print 2014 ***(1 410 pax)*** India Clothing and Textile Trade Show 2014 ***(560 pax)***	Africa Travel Week 2014 ***(5 804 pax)***
Banquets	
India Dinner and Fashion Show ***(250 pax)***	Nissan Dealer Awards ***(400 pax)*** SACTWU Gala Dinner Evening ***(1 000 pax)*** TAIKANG Dinner ***(780 pax)*** Norman Henshilwood High School ***(293 pax)***
Special events	
SA Dairy Championships ***(60 pax)*** Cape Town International Jazz Festival 2014 ***(37 500 pax)***	
Other meetings	
World Craft Council Southern Africa Region Meeting ***(16 pax)*** The Pension Lawyers Association of South Africa Annual National Conference ***(387 pax)*** Transnet National Ports Authority Cocktail ***(83 pax)*** Engen Sales and Marketing Roadshow 2014 ***(220 pax)*** Department of Human Settlements Dinner Conference ***(25 pax)*** MDZL Smollen Conference ***(219 pax)*** Gartner Breakfast Seminar ***(27 pax)*** SMME Growth Conference ***(120 pax)*** Oracle Apps Day 2014 ***(150 pax)*** Government Pensions Administration Agency - RMC workshop ***(1 000 pax)***	Total Top Service awards ***(810 pax)*** Canon Roadshow and Training ***(500 pax)*** International Press Institute Congress 2014 ***(350 pax)*** Decorex Trend Talk ***(120 pax)***

International conferences · *National conferences* · *Exhibitions* · *Trade fairs* · *Banquets* · *Special events* · *Other meetings*



CNN MultiChoice African Journalist Awards

	May	June
International conferences		
	International Pulses Trade and Industry Confederation Convention 2014 ***(550 pax)***	International Food and Agribusiness Management Association Congress 2014 -IFAMA- ***(450 pax)*** International Association for Dental Research Conference ***(2 200 pax)***
National conferences		
	South African Society of Obstetricians and Gynaecologists (SASOG) 2014 ***(580 pax)*** 3rd Annual Congress of the Faculty of Consulting Physicians of South Africa ***(220 pax)***	The 46th SAPOA International Convention and Property Exhibition ***(1 000 pax)***
Exhibitions		
	Fine Brandy Fusion 2014 ***(2 000 pax)*** Food Hospitality World ***(3 000 pax)*** Good Food and Wine Show 2014 ***(36 287 pax)***	The South African Wedding Show ***(5 500 pax)*** South African Book Fair ***(6 491 pax)***
Trade fairs		
	African Utility Week 2014 ***(2 000 pax)*** India Expo 2014 ***(10 000 pax)*** Hostex Cape 2014 ***(6 595 pax)***	Source Africa 2014 ***(1 000 pax)***
Banquets		
	1000 Women United - Wheat Trust ***(900 pax)*** ABASA FQE Dinner ***(500 pax)***	Presidential Golf Dinner ***(112 pax)***
Special events		
		Old Mutual Trophy Wine Show ***(600 pax)*** Raga Fantasy - Hariprasad Chaurasia ***(1 200 pax)*** Sinai Indaba IV ***(1 700 pax)*** Tori Amos ***(2 700 pax)***
Other meetings		
	SAICA: Business Breakfast ***(164 pax)*** Marketing Indaba 2014 ***(100 pax)*** CIMA Exams Session 1 2014 ***(300 pax)*** Annual Rural Development Conference 2014 ***(95 pax)*** The Haven Night Shelter ***(22 pax)***	City of Cape Town Economic Development Workshop ***(120 pax)*** Integrated Marketing Communications Conference 2014 ***(170 pax)*** State of the Nation Breakfast Series with Justice Malala and Clem Sunter ***(470 pax)*** Youth Day at the CTICC ***(160 pax)*** Entrepreneurs Conference ***(50 pax)*** Banking Association of SA Conference ***(80 pax)***

Cape Town International Jazz Festival 2014

The eventing business

Growing demand makes a compelling case for expansion

The solid economic performance statistics outlined in this report are largely a result of the continued efforts of the CTICC's Commercial and Business Development department to raise the profile and appeal of the CTICC as a local, national and international events destination of choice.

While the total number of events hosted at the CTICC in the year under review remained constant at 535, this was once again well above the target of 500 for the year. Importantly, 33 of these events were large international conventions or congresses, indicating that the CTICC's concerted efforts to attract global clients are paying dividends. This is confirmed by the large number of such international events already secured (see 'An effective strategy for winning bids' section on page 27), which adds further impetus to the expansion imperative.

The breakdown of events hosted at the CTICC over the past financial year points to the fact that the centre is steadily evolving from being regarded as purely a meetings and conventions venue into a highly popular destination for all market segments.

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Breakdown of events hosted at the CTICC over the past three years

	2011/12	2012/13	**2013/14**
International conferences	38	35	**33**
National conferences	39	33	**28**
Exhibitions	14	19	**14**
Trade fairs	13	14	**17**
Banquets	35	44	**53**
Special events	42	41	**40**
Other meetings/events (incl. film shoots)	333	351	**350**
	514	537	**535**

Congresses consistent and overall delegate numbers rise

The 33 international congresses hosted for the year under review were accompanied by a steady increase in the number of medium-sized congresses of between 500 and 1 000 delegates. Combined with the year-on-year increase in bookings of large congresses of more than 1 000 delegates, this has ensured that the overall number of delegates passing through the CTICC's doors increased notably from 35 102 in 2012/13 to 37 972 in the past financial year.

At a national level, the CTICC hosted slightly fewer small and medium-sized congresses than in 2012/13, but larger national congresses, comprising 500 or more delegates, rose.

More other events, with steady visitor numbers

Compared to 2012/13, the CTICC hosted more trade fairs, banquets and exhibitions attached to international congresses, while the number of other exhibitions and meetings declined slightly. Attendance at banquets and other meetings in the 2013/14 financial year was the third highest in the history of the centre.

Achieving steadily rising event revenue

From a revenue perspective, the increasing trend in the overall number of events over the past two years has resulted in a pleasing rise in income, with a 14% revenue generation improvement year on year across all event types.

Increasing events through interactive marketing

The CTICC's marketing approach is to provide value to its clients by giving them easy access to the information that they require, exactly when they require it. At the same time, the CTICC continues to place a particular focus on creating year-round appeal aimed at addressing the ongoing challenges of seasonality.

Direct and relevant engagement with clients, prospective visitors and all other stakeholders is central to these marketing objectives and the centre customises its marketing campaigns and communications accordingly.

In addition to targeted promotions aimed specifically at growing the appeal of the CTICC as a venue for emerging events, the past year saw particular growth in the use of social media channels as a key way of connecting the CTICC with its stakeholders. The centre's social media following grew five-fold over the past two years. The CTICC's website has also been restructured to make it more interactive and it continues to achieve growth in the number of visits from local and international users.

On the promotional front, the CTICC is leveraging the power of social and digital media to transform its traditionally paper-based marketing into highly interactive campaigns. This has had the effect of increasing stakeholder interaction, particularly through involvement in online competitions and promotions.

The effectiveness of these targeted marketing campaigns is particularly evident from the marked increase in bookings of local and community events during the period under review.

An effective strategy for winning bids

The highly competitive nature of the local and global conference industry makes it imperative that the CTICC positions itself effectively to compete for, and secure bids for these large events. The combination of targeted, effective marketing of the centre, and a priority focus given to the bidding process for Association Conferences, has enabled the CTICC to consistently win the lion's share of bid business. The centre in conjunction with the Cape Town Convention Bureau, a department of Wesgro, secured 20 bids for Cape Town in the 2013/14 financial year.

Bid highlights in 2013/14

Name of conference	Date
International Renewable Energy Conference	October 2015
46th Union World Conference on Lung Health	December 2015
World Council of Enterostomal Therapists Congress	March 2016
The Consumer Goods Forum	June 2016
27th International Nursing Research Congress	July 2016
World Congress of the World Society of Cardiothoracic Surgeons 2016	September 2016
17th World Congress on Psychiatry 2016	November 2016
Annual Meeting of the World Aquaculture Society	June 2017
International Congress of Linguists	September 2018
World Congress of Neurorehabilitation 2020	May 2020

CTICC Ambassador Inauguration

CTICC Ambassador programme delivers positive results

Of vital importance to the success of Cape Town and the CTICC as a destination for international events is the support the centre receives from the industries it serves. Some of the most influential of these are the medical industry, including its academic/teaching hospitals; and educational institutions such as universities and business schools.

The CTICC Ambassador Programme is a key initiative launched by the CTICC in 2013 with the aim of capitalising on the good relationships the centre shares with representatives of many of these institutions, by appointing leading individuals in their respective fields to the position of CTICC Ambassadors. In this role, these influential professionals serve as exceptional advocates and promoters of the CTICC within their industries and further afield. The programme has been very well received and is already delivering good results in terms of raising the profile of the CTICC as a leading destination for industry-related congresses or events. In the past financial year, the CTICC added another four ambassadors, bringing the total number to 15. They are:

Dr Arifullah Ahmed
Paediatric dentist,
Claremont Dental

Ms Hazel Bowen
National President,
South African Association of
Women Graduates

Dr Joel Dave
Endocrinologist

Professor Alan Davidson
University of Cape Town/Red Cross
War Memorial Children's Hospital

Dr Peter de Jong
Netcare, Christiaan Barnard
Memorial Hospital

Dr Catherine Draper
University of Cape Town/MRC
Research Unit for Exercise Science
and Sports Medicine, Sports Science
Institute of South Africa

Dr Christopher Hugo-Hamman
Netcare, Christiaan Barnard
Memorial Hospital

Professor Raj S Ramesar
University of Cape Town,
Faculty of Health Sciences

Bulelwa Makalima-Ngewana
CEO of the Cape Town Partnership

Professor Bongani M Mayosi
University of Cape Town,
Department of Medicine
Groote Schuur Hospital

Professor Marc Mendelson
University of Cape Town,
Division of Infectious Diseases
and HIV Medicine

Mr Hein Stander
South African Institute of
Civil Engineering

Dr Louwrens C Swart
Mediclinic,
Louis Leipoldt Medical Centre

Professor Jimmy Volmink
Dean of the Faculty of
Health Sciences (FHS),
Stellenbosch University

Ms Dee Waugh
Stomaltherapy,
Wound Care,
Fistula Management

CTICC clients participate in the annual cook-off challenge

A promising forward book

It is testament to the success of the CTICC's focus on targeted advertising and interactive marketing that a large number of events have already been booked until 2017 and beyond. The CTICC is well ahead in terms of its international conference targets.

Growing success through partnerships

The CTICC remains absolutely committed to achieving success by working with other like-minded organisations in order to first grow and develop the industry in which it operates. Some of the key partnerships aimed at achieving this objective include:

The South African National Convention Bureau (SANCB)
Under the auspices of South African Tourism the SANCB plays a vital role in positioning South Africa as a world class international meetings and events destination. The CTICC works closely with the SANCB as well as with other city destinations and venues to ensure that brand South Africa grows in appeal.

Cape Town Convention Bureau
This strategic business unit of Wesgro, the Western Cape Destination Marketing, Investment and Trade Promotion Agency, promotes Cape Town and the Western Cape as a premier destination for meetings, incentives, conferences, events, exhibitions and trade fairs.

The CTICC works closely with the bureau to grow the market share of the international association conference sector in Cape Town. This collaboration is bearing fruit for Cape Town as a global destination, despite the cost of travel that international delegates need to factor in when comparing the southern tip of Africa against destinations in global centres of commerce.

Event organisers
Professional Conference Organisers (PCO) and exhibition organisers are the CTICC's key clients. The centre works closely with these event organisers to ensure that its product is accessible from an innovative perspective, attracts the right footfall, makes a good public impression, and meets all the needs of clients, delegates and visitors.

The film and media industry
The immense beauty of Cape Town makes it an appealing international destination for filming and photo shoots. In the past year, the CTICC has achieved great success in establishing itself as a preferred and accessible destination for these shoots.

↑ 52nd

The CTICC is proud that Cape Town has risen eight places from 60th to 52nd, in the rankings of cities, countries and continents, in the annual assessment conducted by the International Congress and Convention Association (ICCA) for 2013.

A micro farmer from Abalimi Bezekhaya tends her garden

Enabling an inclusive society

The CTICC supports the City of Cape Town's strategic focus to be an inclusive, caring and opportunity city. The centre's social sustainability commitment extends beyond financial support of deserving causes, but is given effect through a combination of economic and practical support of individuals, communities, small businesses and charitable organisations.

Maximising social upliftment through a focused approach

Rather than taking a blanket approach to social sustainability, the CTICC has chosen to focus its corporate social investment in order to deliver the most benefit in a sustainable way. After an extensive process of investigation and stakeholder consultation, the centre selected four community partners to which it now channels the majority of its social sustainability support. These are:

The Haven Night Shelter – This welfare organisation provides temporary shelter, physical care, social welfare and family reunification services to adult homeless people across Cape Town. Its operations are aligned with the city's policy on homeless people, which is aimed at promoting support of shelters rather than attempting to financially support the homeless directly.

The Foundation for Alcohol Related Research (FARR) – FARR helps and supports individuals and communities affected by alcohol abuse. It also runs numerous programmes aimed at raising awareness of the negative effects of alcoholism on families and communities.

Abalimi Bezekhaya – This non-profit development organisation helps township residents to grow their own organic vegetables to feed their families and to sell in order to earn a regular income. In addition to supporting the organisation, the CTICC buys many of its organic vegetables from Harvest of Hope, the food marketing partner to Abalimi Bezekhaya, for use in preparing meals for staff and dining for events and banquets.

Mitchells Plain School of Skills – This initiative offers community-based skills development programmes in Mitchells Plain to equip previously disadvantaged individuals with the skills and knowledge they need to be employable in the catering and service industries.

Actively making a positive difference

In addition to the various forms of support offered to its community partner organisations, the CTICC proactively seeks out other opportunities to uplift individuals and communities and participate in social sustainability in and around Cape Town. Over the past financial year, just some of the projects and initiatives in which the CTICC was involved included:

The donation of exhibition materials

The CTICC encourages its clients and exhibitors to donate unwanted exhibition stand materials to community projects. In addition to supporting local communities, this initiative also reduces the amount of materials sent to landfills after CTICC-hosted events.

Raising awareness to encourage involvement

The CTICC recognises that its prominent role in society gives it the responsibility to raise awareness about social and health issues that impact on communities across South Africa. To this end, CTICC staff members were actively involved in raising awareness of breast cancer and HIV/AIDS during the year under review. The activities of staff members also included fundraising in support of organisations involved in the fight against these diseases.

Fresh ingredients to the chef's table

The CTICC procures a portion of locally produced vegetables directly from one of its community partners, Harvest of Hope. The investment in Fair Trade coffee is an initiative that has been most successful in the coffee shop. Fair Trade is a global movement that aims to improve production and trading conditions in order to benefit farm workers and disadvantaged employees.

CTICC staff members are encouraged to participate in corporate social investment activations

Working for change through volunteerism

The CTICC's commitment to both social and environmental sustainability includes creating opportunities for its staff members to experience the immense personal growth that comes from volunteering their time and talents in the service of others. Just some of these volunteerism opportunities created for staff over the past financial year included:

Mandela Day
On Mandela Day 2013, CTICC staff members provided gardening assistance and lunch to Abalimi Bezekhaya beneficiaries and Mitchells Plain School of Skills students respectively. Employees also helped to provide hot meals to learners of Woodlands Primary and distributed care kits, containing toiletries and a warm blanket, to many of the homeless people in the Cape Town area.

Arbor Day
Twenty-two staff members visited Khayelitsha to plant indigenous trees at Moyo we Khaya, a community park supported by Abalimi Bezekhaya.

World Homeless Day
A group of CTICC employees arranged for the purchase of soup pots and groceries for the Haven Night Shelter in Cape Town and the Western Cape.

Waitron Training
The CTICC chefs and kitchen staff provided students of the Mitchells Plain School of Skills with additional skills training to broaden their knowledge and upskill the hospitality industry.

Earth Day
CTICC volunteers planted 200 trees in Khayelitsha with micro-farmers from Abalimi Bezekhaya, assisted by Greenpop. The CTICC also provided lunch for the volunteers and farmers on the day.

Youth Day
A career development session was hosted at the CTICC for students of the Mitchells Plain School of Skills and Khayelitsha Lathitha School of Skills. Pertinent topics covered included career guidance, CV construction and interviewing skills. In addition participants were afforded the opportunity to be mentored by CTICC staff.

Cape Argus Cycle Tour
Six CTICC staff members, including the CEO, participated in the 2014 Pick n Pay Cape Argus Momentum Cycle Tour as part of the Panda Peloton for the World Wide Fund for Nature (WWF).

National Water Week
The CTICC's banqueting department teamed up with Vivreau to showcase the CTICC's in-house water bottling plant with a special unit set up in the main foyer.

Cycle to Work Day
CTICC employees were encouraged to cycle to work as part of an ongoing commitment to raise awareness about the value and importance of non-motorised transport in terms of environmental sustainability and staff wellness. Staff members who cycled to work were offered a free smoothie and were rewarded with a surprise cycle along the Sea Point cycle route.

Maximising enterprise development

As a municipal entity, the CTICC is required to adhere to the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) as well as the relevant Supply Chain Regulations. However, as an organisation that is effectively owned by the people and communities of Cape Town, the centre takes these requirements beyond mere compliance, and is passionate about delivering on its mandate to create opportunities for all, particularly by supporting and investing in the development of small and medium enterprises, particularly those with a BEE focus.

Approximately two-thirds of the CTICC's procurement takes place through SMMEs. BEE procurement spend by the centre for the 2014 financial year increased by 9% to 78.4% of total procurement.

The promotion and support of local and small businesses is also a priority focus, with R136 million (67% of total spend) channelled to SMMEs and R180 million (90% of total spend) to locally based suppliers. The proportion of suppliers with women equity reduced slightly to 20% of the total number of suppliers, from 22% in 2012/2013. The sourcing of black women-owned suppliers remains a challenge, not just for the CTICC, but also for the events industry in South Africa as a whole.

One of the key benefits of the expansion of the CTICC relates to empowerment opportunities that will enable the centre to increase and enhance the development opportunities it presents to small, medium and micro enterprises.

These opportunities for even greater SMME involvement will arise both during the construction phase and through the centre's strongly enterprise development-driven business model. This is aimed at helping to establish and sustain smaller businesses, thereby creating many permanent employment opportunities for people in the city, region and even the country.

Achieving international leadership

Through its extensive involvement in global industry events and associations, the CTICC continues to raise the profile of the centre and the City of Cape Town on the international stage.

Apart from the extensive representation of the CTICC by its CEO, Rashid Toefy, and many of its other leaders and executives, in the 2013 financial year, the centre renewed its commitment to the United Nations Global Compact (UNGC) and progressed from an active level to an advanced one. It is also a member of the following associations:

National

- Cape Town Chamber of Commerce and Industry
- Cape Town Tourism
- Event Greening Forum of South Africa (EGF)
- Exhibitions Association of South Africa (EXSA)
- Federated Hospitality Association of Southern Africa (Fedhasa)
- Green Building Council of South Africa (GBCSA)
- Proudly South African; and
- South African Association for the Conference Industry – Patron member (SAACI).

International

- Global Association of the Exhibition Industry (UFI)
- Green Meeting Industry Council (GMIC)
- International Association of Congress Centres (AIPC)
- International Congress and Convention Association (ICCA)
- Meeting Professional International (MPI)
- Professional Convention Management Association (PCMA); and
- Union of International Associations (UIA).

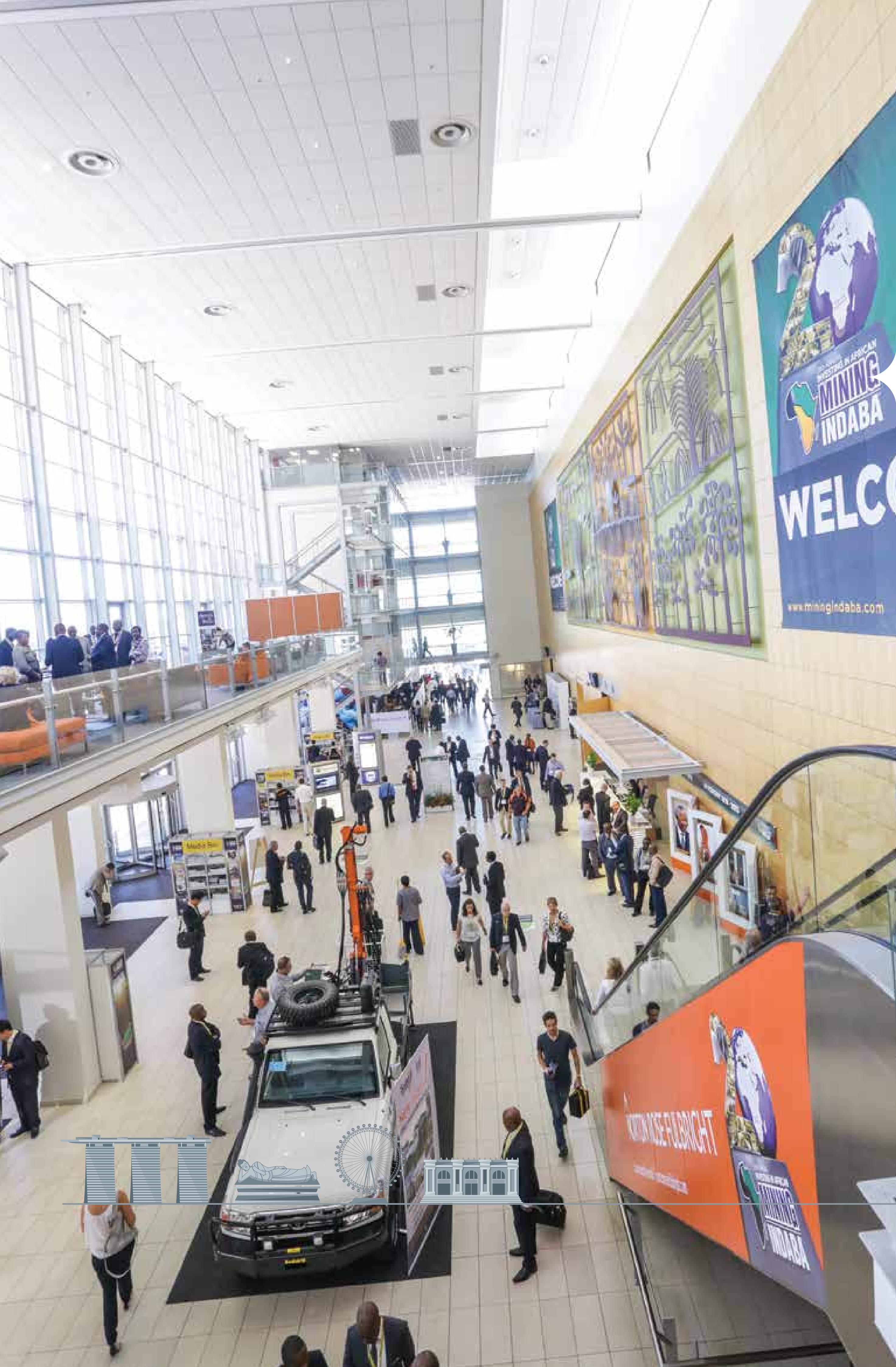
Awards

In 2013, the CTICC's sustainability commitment saw it earning the following awards:

The Global Association of the Exhibition Industry (UFI) Award for the Best Sustainability Reporting
The centre clinched this award for its commitment to international best practice in terms of sustainability reporting.

Imvelo Responsible Tourism Award
This award recognises and celebrates tourism and hospitality businesses that practice exemplary responsible, sustainable and fair business practices.

EXSA – Best Exhibition Venue of the Year
The CTICC garnered further acclaim when it was voted the best exhibition venue in South Africa by its industry peers.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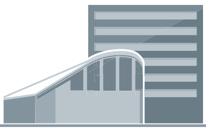
MINING
INDABA

An expanding economic contribution

The CTICC is raising the international profile of Cape Town and the Western Cape

Apart from the remarkable success achieved by the CTICC in terms of its own revenue and profitability, the centre contributes to the economies of the Western Cape and South Africa, both through its direct operations and by raising the tourist and business profile of the province.

Prior to the development of the CTICC, Convenco commissioned the UCT Graduate School of Business to conduct an initial study in 2000 to determine the economic impact of the convention centre. An update commenced in 2004 and has been undertaken every year since. The information on the economic contribution of the CTICC in this report is based on the 12th annual economic impact study as conducted by the independent economic research organisation, Stratecon.



The CTICC's macroeconomic contribution includes the capital expenditure incurred in construction, as well as for ongoing refurbishment, revenues generated through its operations, spending by delegates and visitors, as well as increased tourism – increasingly from its international events.

The CTICC's commitment to excellence translates to unforgettable guest experiences

Understanding the macroeconomic benefits of the CTICC

The most important macroeconomic inputs of the CTICC are its contribution to Gross Domestic Product (GDP), Gross Geographic Product (GGP) and the creation of jobs. While the importance of job creation is obvious, increases in GDP and GGP are synonymous with improvements in peoples' economic situation and standards of living.

GDP and GGP are important not just because they are income for the country or region, but also because that income has the capacity to add to wealth. Increased GDP and GGP are typically experienced in the form of more jobs, higher wages and reduced economic hardship, so these are clearly very important economic measures for an entity, like the CTICC, that has been created with the express purpose of contributing value to the people of Cape Town, the Western Cape and South Africa.

In measuring the CTICC's macroeconomic contribution, the following components are included:

- The initial construction of the convention centre.
- Ongoing capital expenditure by the CTICC, including regular refurbishment and the purchasing of various kinds of equipment.
- Revenues generated by the CTICC through conventions, exhibitions, events and catering and the subsequent expenditure on operating the centre.
- Revenues generated by convention and exhibition organisers, as well as catering and accommodation spend by exhibitors.
- Spending by delegates and visitors attending the events, as well as companions who do not necessarily attend the event. This includes spending outside of the event, such as accommodation, meals, local transport and souvenirs; and
- Increased tourism as some convention delegates return as tourists and even become regular visitors to the country.

The most important macroeconomic inputs of the CTICC are its contribution to Gross Domestic Product (GDP), Gross Geographic Product (GGP) and the creation of jobs.

Summary of the CTICC's economic contribution for the 2013/14 financial year

Macroeconomic contribution for the 2014 financial year

Rand million, 2014 prices	GDP	GGP	Direct WC jobs	Indirect SA jobs	Indirect taxes	Indirect household income	Net forex earnings	Delegate & visitor days
CTICC Capital expenditure	29	19	38	43	3	16		
CTICC Operational expenditure	72	123	71	94	17	36		
Host/organiser expenditure	80	25	37	112	9	44		
Exhibitor expenditure	226	157	104	272	22	113		
Delegate expenditure	1 690	1 594	2 098	2 432	150	855		
Sub-total	2 097	1 918	2 348	2 953	201	1 064		
Induced tourism	974	853	1 028	1 320	90	490		
Total contribution 2014	**3 071**	**2 771**	**3 376**	**4 273**	**291**	**1 554**	**638**	**1 219 226**

Overview of the CTICC's GDP and GGP contribution for 2013/14

In the 2013/14 financial year, the operations of the CTICC (including CTICC capital expenditure, CTICC operational, host/organiser, exhibitor and delegate expenditure) contributed R2.1 billion to national GDP and R1.9 billion to Western Cape GGP. The effect of induced tourism as a result of the operations of the CTICC, added a further R974 million to GDP and R853 million to GGP.

This brought the total CTICC contribution to GDP for 2013/14 to R3.1 billion and the total contribution to GGP to R2.8 billion.

CTICC contribution to GDP

Rand million, nominal prices			Known		
Financial year	FY2010	FY2011	FY2012	FY2013	**FY2014**
CTICC Capital expenditure	23	50	14	26	**29**
CTICC Operational expenditure	60	59	57	60	**72**
Host/Organiser expenditure	75	66	61	75	**80**
Exhibitor expenditure	235	204	174	225	**226**
Delegate expenditure	1 274	1 475	1 414	1 695	**1 690**
Sub-total	1 667	1 854	1 720	2 081	**2 097**
Induced tourism	642	823	825	909	**974**
Total contribution to GDP	2 309	2 677	2 545	2 990	**3 071**
Cumulative contribution	14 135	16 812	19 357	22 347	**25 418**
Real contribution - 2014 prices	**2 839**	**3 165**	**2 858**	**3 176**	**3 071**

Actual contribution to GDP

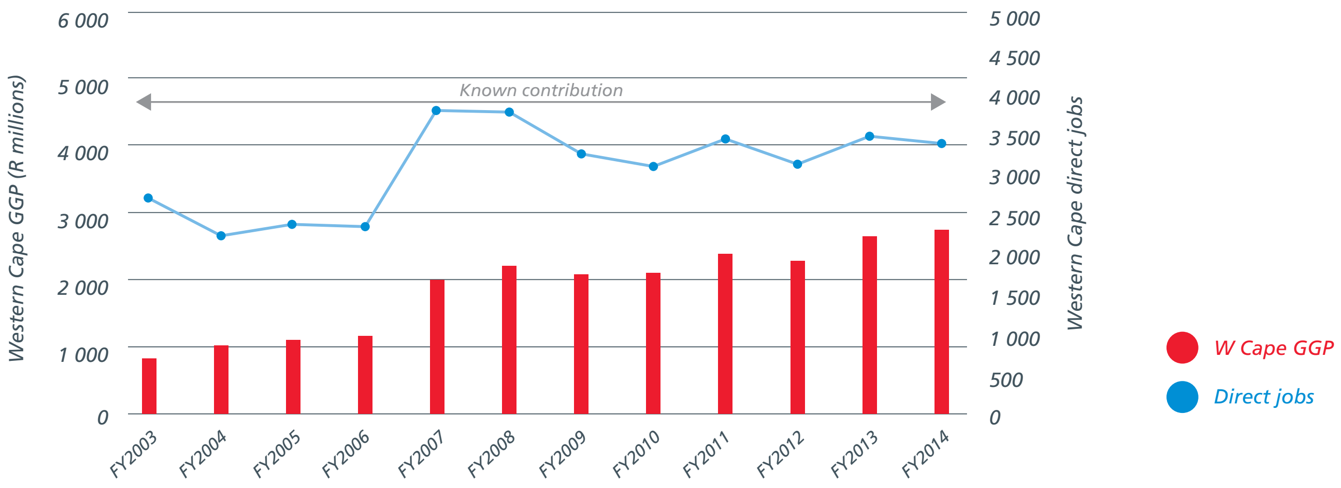
Over the last 12 years the CTICC has made a cumulative contribution of R25.4 billion to South African GDP.

CTICC contribution to Western Cape GGP

Rand million, nominal prices			Known		
Financial year	FY2010	FY2011	FY2012	FY2013	**FY2014**
CTICC Capital expenditure	16	38	8	18	**19**
CTICC Operational expenditure	91	99	101	103	**123**
Host/Organiser expenditure	29	25	22	26	**25**
Exhibitor expenditure	163	142	121	156	**157**
Delegate expenditure	1 226	1 421	1 360	1 618	**1 594**
Sub-total	1 525	1 725	1 612	1 921	**1 918**
Induced tourism	577	668	671	742	**853**
Total contribution to GGP	2 102	2 393	2 283	2 663	**2 771**
Cumulative contribution	12 487	14 880	17 163	19 826	**22 597**

Note: Since the publication of the CTICC's 2012/13 annual report, the multipliers used for calculating Western Cape GGP contributions have been updated. As a result no comparison should be made between the GGP figures of this report and those presented in reports prior to 2014. The multipliers are now based on a recently released Social Accounting Matrix by the Development Bank of Southern Africa and are larger than those used in previous reports.

Actual contribution to Western Cape GGP



Creation of employment opportunities

The CTICC continues to make a significant contribution to the creation of direct and indirect sustained employment opportunities for the people of the Western Cape and South Africa.

Job creation in the Western Cape

In the 2013/14 financial year, the CTICC sustained 3 376 direct jobs.

Jobs created countrywide

The CTICC also continues to create indirect jobs across South Africa. At 4 273, the number of indirect jobs created in the 2013/14 financial year is close to the peak indirect job creation figure of 4 448 achieved in 2010/11.

Direct jobs in the Western Cape

Rand million, nominal prices			Known		
Financial year	FY2010	FY2011	FY2012	FY2013	**FY2014**
CTICC Capital expenditure	36	65	21	35	**38**
CTICC Operational expenditure	52	70	57	62	**71**
Host/Organiser expenditure	42	36	32	37	**37**
Exhibitor expenditure	138	112	90	109	**104**
Delegate expenditure	1 956	2 189	1 996	2 266	**2 098**
Sub-total	2 224	2 472	2 196	2 509	**2 348**
Induced tourism	854	951	907	950	**1 028**
Total direct jobs	3 078	3 423	3 103	3 459	**3 376**

Indirect job creation in South Africa

Rand million, nominal prices	Known				
Financial year	FY2010	FY2011	FY2012	FY2013	**FY2014**
CTICC Capital expenditure	41	83	23	41	**43**
CTICC Operational expenditure	98	91	82	83	**94**
Host/Organiser expenditure	129	109	96	112	**112**
Exhibitor expenditure	348	291	236	288	**272**
Delegate expenditure	2 319	2 557	2 288	2 583	**2 432**
Sub-total	2 935	3 131	2 725	3 107	**2 953**
Induced tourism	1 069	1 317	1 254	1 309	**1 320**
Total indirect jobs	4 004	4 448	3 979	4 416	**4 273**

Visitor days

The macroeconomic impact of the CTICC is largely a function of the visitor days generated through its offerings and operations. In the 2013/14 financial year, the number of visitor days totalled 1.22 million, which is above the annual average achieved since operations commenced.

While there has been some fluctuation in the total annual delegate and visitor days generated by the CTICC over the last five years, the overall trend remains positive.

Based on the findings of the latest CTICC delegate survey, delegates of congresses at the centre typically stay in Cape Town or elsewhere in South Africa for one and a quarter days longer than the duration of the actual congress. Some delegates are also accompanied by family members or friends. These attributable congress days increased to 199 376 in 2013/14 from 194 200 in 2012/13.

Similarly, attributable event days (generated by other CTICC events and exhibitions) remained relatively stable at one million in 2013/14.

In addition, induced tourism generated by the events previously hosted by the CTICC resulted in approximately 471 000 international tourist days.

Rising contribution to foreign exchange earnings

One of the other key macroeconomic benefits of the CTICC is the important contribution it makes to foreign exchange earnings. It is estimated that in the 2013/14 financial year, international delegates brought R484 million into the country, international exhibitors R51 million and induced tourism R597 million.

Total foreign exchange earnings therefore amounted to R1.13 billion, compared to the R1.08 billion of the 2012/13 financial year.

The CTICC became a net earner of foreign exchange in 2004 and paid for all previous foreign exchange usage by the end of 2005. At the end of the 2013/14 financial year, it is estimated that the CTICC had cumulatively generated R5.15 billion in foreign exchange.

Net foreign exchange earnings

Rand million, nominal prices			Known		
Financial year	**FY2010**	**FY2011**	**FY2012**	**FY2013**	**FY2014**
Foreign exchange earnings					
Internal exhibitors	78	48	35	40	**51**
International delegate spend	426	486	395	481	**484**
Induced tourism	399	512	511	559	**597**
Total forex earnings	903	1 046	941	1 080	**1 132**
Foreign exchange use					
CTICC Capital expenditure	5	10	3	6	**7**
CTICC Operational expenditure	11	11	10	11	**13**
Host/Organiser expenditure	13	11	11	13	**14**
Exhibitor expenditure	36	31	27	35	**35**
All delegate expenditure	208	241	230	276	**275**
Induced tourism	98	126	127	140	**150**
Total imports	371	430	408	481	**494**
Net forex earnings	532	616	533	599	**638**
Cumulative total	2 764	3 380	3 913	4 512	**5 150**

Other macroeconomic contributions

Apart from the key macroeconomic benefits outlined above, during the 2013/14 financial year, the CTICC also increased the contributions it makes in other areas of the economy, including:

- R291 million in tax revenue, up from R283 million in 2012/13; and
- R1.55 billion in indirect household income – up from R1.5 billion in 2012/13.

"Dramatic improvements to the smart management of the CTICC's building systems have delivered energy savings and solid cost reduction benefits."

Aage Hansen,
General Manager:
Operations, Food and Beverage

Investing and innovating for exceptional experiences

Aage Hansen

General Manager: Operations, Food and Beverage

Aage is a seasoned executive management professional, who has worked extensively in the hospitality industry. For the past eight years, he has spearheaded the centre's Operations and Food and Beverage departments. In addition, he oversees the Health and Safety Committee and has been instrumental in the successful implementation of the Hazard Analysis and Critical Control Points (HACCP), ISO 9001, 14001, 18001 certifications and recently achieved Gold AIPC (International Association of Congress Centres) quality standards certification. He also chairs the centre's sustainability forum and is the executive manager for customer satisfaction. In addition, Aage has now been given the responsibility to head up and drive the expansion project from an operational point of view. He also holds a postgraduate diploma from the University of Cape Town Graduate School of Business specialising in management practice.

The CTICC's value proposition is built on its promise to deliver consistently excellent experiences for its clients and guests. Customer satisfaction, as measured through independent customer experience research company, N'lighten, continued to be maintained at over 80% overall.

A passion for people development means the CTICC receives consistently high client satisfaction ratings

Streamlining the business

During the 2013/14 financial year, the CTICC invested heavily in its people and systems, while continuing to successfully contain its direct operating costs within budgeted targets.

An important challenge has related to the sharp fluctuations and increases in the cost of inputs, particularly within the Food and Beverage department. This area contributes almost 50% to the CTICC's overall revenue and, as such, places a priority on managing the costs of its services in order to maintain sustainable margins. The rapid decline in the value of the rand, coupled with volatile inflation pressures made the management of these input costs, across all areas of the business, particularly difficult over the past financial year.

In response, the CTICC has continued to make dramatic improvements to the smart management of its building systems. Energy-saving initiatives, in particular, have delivered solid cost reduction benefits. These are detailed on pages 51-52 of this report.

The reliability and quality of the centre's contracted services is a key issue affecting the quality of its product. The CTICC is confident that its service level agreements are well managed. This aspect is reported on in detail in the 'Empowering and developing people' section on pages 71-72.

Energy-saving initiatives, in particular, have delivered solid cost reduction benefits.

Innovation and excellence characterise every aspect of the CTICC experience

Innovating to maximise the contribution of food and beverages

The CTICC's Food and Beverage department has always played a vital role in generating revenue for the CTICC. In order to continue this trend, and keep increasing the contribution made by the department, the CTICC is constantly innovating within this key area of its offering. In addition to working to contain input costs, various initiatives have been undertaken over the past financial year, including:

- An ongoing commitment to monitoring and improving service through independent research and staff training targeted at maximising service efficiency at specific events.
- A focus on cleanliness and safety with intensive HACCP training for all staff.
- On-the-job training for labour brokers and contract staff to maximise the positive service experience delivered by waitrons and other banqueting personnel.
- The introduction of a unique 'Chef's Library' by the CTICC Executive Chef – aimed at providing all chefs with access to extensive resources to keep improving their skills and outputs.
- A comprehensive waste management and recycling training programme for kitchen and service staff.
- Access to management training for all managers within the Food and Beverage department.
- A redesign of the CTICC's coffee shop menu, resulting in a more contemporary and appealing offering to visitors and the general public.
- The development of innovative new cuisine offerings for banqueting and public catering.
- Innovative front-of-house buffet and banqueting concepts designed to make the experience of delegates and guests far more interactive and entertaining; and
- Even greater use of fresh, organic, locally produced ingredients, some of which are procured from one of the CTICC's community partners (see page 31).

The CTICC's Food and Beverage department has always played a vital role in generating revenue for the CTICC.

A continued investment in technology keeps the CTICC at the forefront of its industry

Investing in infrastructure and technology

To remain competitive in a global industry as dynamic and fast changing as events and conferencing requires a continued commitment to reinvesting in the most modern and current technology. For the CTICC, this investment is about more than merely acquiring the latest systems and equipment, it is a prerequisite for ensuring the centre's ability to consistently deliver the level of excellence to which it aspires.

In addition, handling ever-increasing volumes of data and modern web-based software systems necessitates the continual improvement and upgrade of IT infrastructure. To this end, during the year under review, the CTICC replaced its redundant server infrastructure and increased its storage capacity. To maximise the benefit of this new technology, upgrades were undertaken to other areas of the centre's IT infrastructure, including a comprehensive refurbishment of the vital Uninterruptable Power Supply (UPS) system.

The past financial year also saw the conclusion of the integration of the CTICC Enterprise Resource Plan system, commonly known as EBMS (Event Business Management Software) with a point-of-sale system. The combined effort of two partners, Anker Data and Ungerboeck Software International, resulted in a bespoke interface between their respective databases, through which transactions (beverage purchases, sales and stock movements) can be routed, in real time. Additional hardware in the form of 13 more point-of-sale terminals was also deployed. Among the many benefits unlocked by this project are:

- More effective stock control
- Increased efficiencies
- Reductions in costs
- Better reporting and business analytics; and
- A seamless flow of data across business areas.

What's more, the successful implementation of this project forms the foundation for other projects in the future, including the planned implementation of event-based costing, the inclusion of food sales data at a recipe level, and a multitude of food and beverage innovations from mobile payments to interactive menus and other smart-restaurant technologies.

Other investments into infrastructure and systems improvements at the CTICC for the year under review included:

- **Pay on foot parking system replacement** – A full replacement of the system has been completed, giving CTICC visitors a variety of payment methods when parking at the centre. The replacement of the system also caters for the planned addition of a further 315 parking bays.
- **CCTV upgrade** – Another 117 digital CCTV cameras were added to the existing 126 cameras, enhancing security by increasing the amount and concentration of CCTV coverage.
- **Reception switchboard** – Mobile reception capability has been developed to enable receptionists to be available to engage with guests on the floor, while still attending to incoming phone calls.
- **Evacuation public address system upgrade** – Enhancements to the existing evacuation system ensure visitor safety and compliance with legislation.
- **Blast chiller installation** – To enhance kitchen productivity, blast chillers have been installed to instantly chill prepared food and allow for transport to satellite kitchens.
- **Main kitchen revamp** – A revamp of the 1 800 m² main kitchen flooring was required. In the year under review, the centre has re-epoxied 50% of its total kitchen floor spaces.
- **Sandstone cladding upgrade** – Large sections of the centre's sandstone cladding have been replaced to maintain the façade of the building; and
- **Exhibition carpets installation** – Invested in limited exhibition carpeting to offer smaller exhibition or banqueting events at lower prices.

The CTICC prides itself on its absolute commitment to service excellence

Measuring and delivering customer satisfaction

Given that the CTICC's value proposition is built on its promise to deliver consistently excellent experiences for its clients and guests, ongoing feedback from event hosts and visitors is vital to the centre's continued success.

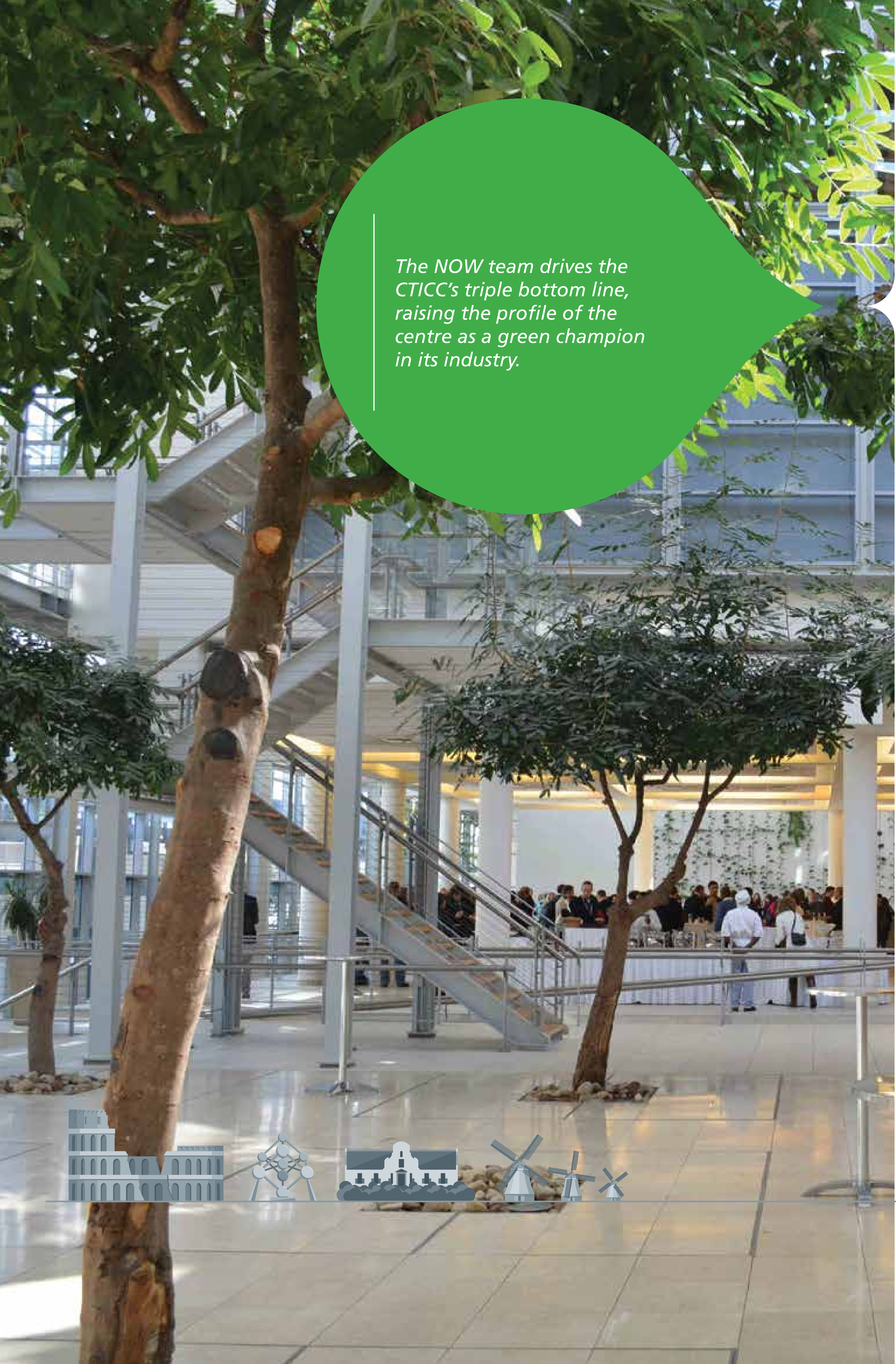
The CTICC partnered with an independent customer experience research company, N'lighten, to conduct monthly ongoing client and customer satisfaction research. The results are analysed in the context of the CTICC's strategies and objectives and used to inform decisions and actions aimed at constantly enhancing the centre's experience offering.

The survey covers a range of critical areas as outlined below:

- Waitron service
- Coffee shop
- Reception desk
- Safety and security
- Cleanliness of venue
- Cuisine
- Event executives/Event Services managers
- Explanation of processes
- IT and telecoms
- Sales consultants
- Parking services
- Finance process
- Audiovisual services
- Conference and exhibition services
- Venue climate control
- Environmental sustainability; and
- Ethics.

Where areas for improvement are identified, these are immediately communicated to the CTICC by its research provider and steps are taken to address any issues or concerns directly.

During the 2013/14 financial year, customer satisfaction as measured through these surveys continued to be maintained at over 80% on average.


The NOW team drives the CTICC's triple bottom line, raising the profile of the centre as a green champion in its industry.

Sustaining the environment

For the CTICC, environmental sustainability is both a moral obligation and a strategic imperative. Given that conserving the environment has a direct impact on the centre's financial performance as well as its reputation and effectiveness as a responsible corporate citizen; it places a priority on integrating environmental awareness and action into all areas of its business and as a core component of its triple-bottom-line approach.

Driving environmental sustainability NOW

The NOW team, which is comprised of representatives from across the organisation's various departments, falls under the chairmanship and guidance of the General Manager: Operations, Food and Beverage. The primary purpose of the initiative is to inform, drive and monitor the CTICC's triple-bottom-line approach; oversee the design and implementation of sustainability initiatives that contribute to economic growth; raise the profile of the centre as a green champion in its industry; and ensure the effectiveness of its efforts to minimise its negative environmental impacts while maximising its positive contribution to a greener future.

In the year under review, the CTICC employed a Sustainability Officer with the objective of helping to take the NOW initiative to the next level. Under the guidance of the Marketing and Sustainability Manager, the key responsibilities of this new role include strategic collaboration with sustainability stakeholders and ensuring that the CTICC remains on track in terms of delivering the triple-bottom-line benefits identified and targeted by the NOW team.

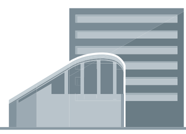
The main environmental impact areas that the work of the NOW team seeks to mitigate and manage are:

- Energy usage and carbon footprint
- Emissions, effluents and waste
- Water consumption; and
- Indirect environmental impacts.

The CTICC primarily responds to its environmental responsibility in each of these areas by:

- Understanding the issues in the context of its operations and business objectives
- Measuring and monitoring its environmental impact
- Devising innovative solutions to improve its environmental performance
- Procuring services responsibly; and
- Training staff in sustainable thinking, awareness and management.

The primary purpose of the NOW team is to inform, drive and monitor the CTICC's triple-bottom-line approach.



Integrating environmental awareness and action into all areas of CTICC's business, places the centre as a responsible citizen in the international convention arena.

Committed to reducing its own carbon footprint, and helping others do the same

Managing energy usage and carbon footprint

The main source of carbon emissions for the CTICC is the energy the centre consumes from the electricity grid supplied by the City of Cape Town. This electricity is used to power all CTICC operations and facilities including air-conditioning, lights and general services.

In the 2013/14 financial year, the CTICC used 9.89 GWh, or 35 620 Gigajoules of electricity. This is 2.8% more than what was consumed in the previous financial year. However, since the establishment of its energy consumption base line in 2009, when the energy consumption was 11.38 GWh, the centre has managed to reduce its overall electricity consumption by 13%. Taking into account the 7.9% increase in delegate numbers since 2012, electricity consumption decreased by 17.3% per delegate over this three-year period.

13%

The centre has managed to reduce its overall electricity consumption by 13% despite the continual rise in delegate numbers.

Year-on-year electricity consumption (GWh)

	2011	2012	2013	2014
Annual electricity consumption (GWh)	10. 35	11.09	9.62	**9.89**
Million delegate days	1.243	1.130	1.301	**1.219**
Annual electricity consumption (kWh/delegate day)	8.33	9.81	7.39	**8.11**

Carbon emissions

The CTICC's carbon footprint is calculated according to GHG protocols and totals 9 789 CO^{2}e.

Scope 1 emissions
These are direct emissions from owned or controlled sources. Emissions measured by the CTICC include petrol used in company-owned vehicles and diesel used by generators. The total amounted to 4.42 CO^{2}e, or 66.47 Gigajoules consumed. This usage is relatively insignificant, amounting to less than 0.05% of the centre's total carbon footprint.

Scope 2 emissions
These are indirect emissions from the generation of purchased energy. The CTICC's electricity supply, purchased from the City of Cape Town, is the sole source of Scope 2 emissions and amounts to more than 99% of its total carbon footprint. Scope 2 carbon emissions amount to 9 734 CO^{2}e for 2014, representing a 10.3% reduction since 2012.

Scope 3 emissions
These are indirect emissions produced through activities where the energy source is neither owned nor controlled by the CTICC. Significant activities of relevance to the CTICC, and which offer potential for reduction in Scope 3 emissions, include employee commuting, delegate transport and industry-related travel. Only the latter, in the form of short-haul and long-haul flights are measured and included in the CTICC's carbon footprint calculation, which amounted to 50.74 CO^{2}e. CTICC drivers made over 2 000 trips to transport contract staff home after hours, but the exact carbon footprint of this activity is not as yet measured, and has therefore not been included in the carbon footprint calculation.

The CTICC has set itself a target of reducing its overall energy consumption by at least 2% annually.

Energy measurement and management

The CTICC has set itself a target of reducing its overall energy consumption by at least 2% annually. In order to drive the achievement of this target through effective measurement and management of electricity consumption, the centre has focused particularly on improving the quality of its sub-metering through the use of a monitoring system called IONE. The installation of these sub-meters commenced in the 2012/13 financial year and continued in the year under review. Currently there are 115 sub-meters across the CTICC, providing detailed energy usage information for the different venues, buildings and operational systems.

The sub-meters allow the CTICC to provide its clients with detailed electricity usage statistics regarding their events, thereby enabling them to maximise their own energy limitation and carbon management strategies.

Client education and awareness is central to the CTICC's effectiveness in terms of reducing its energy consumption. Focused client sustainability awareness campaigns on minimising the use of air-conditioning and other utilities, particularly during event set-up and break-down has delivered real financial and environmental sustainability benefits by helping to save the centre R1.6 million on its utility budget during the year under review.

In the 2014/15 financial year, the CTICC will be procuring a central database that will produce ongoing reports based on the readings of these sub-meters, as well as live energy consumption viewing screens for use by clients at their events. It is envisaged that this system will allow a collaborative partnership with clients and further enhance the centre's efforts to improve the energy efficiency of both specific events and its general operations.

Energy reduction efforts include a comprehensive LED retrofitting programme

Actively reducing energy consumption

During the year under review, the CTICC continued its ongoing programme aimed at installing and retrofitting technology that further reduces its energy usage. Specific initiatives included the following:

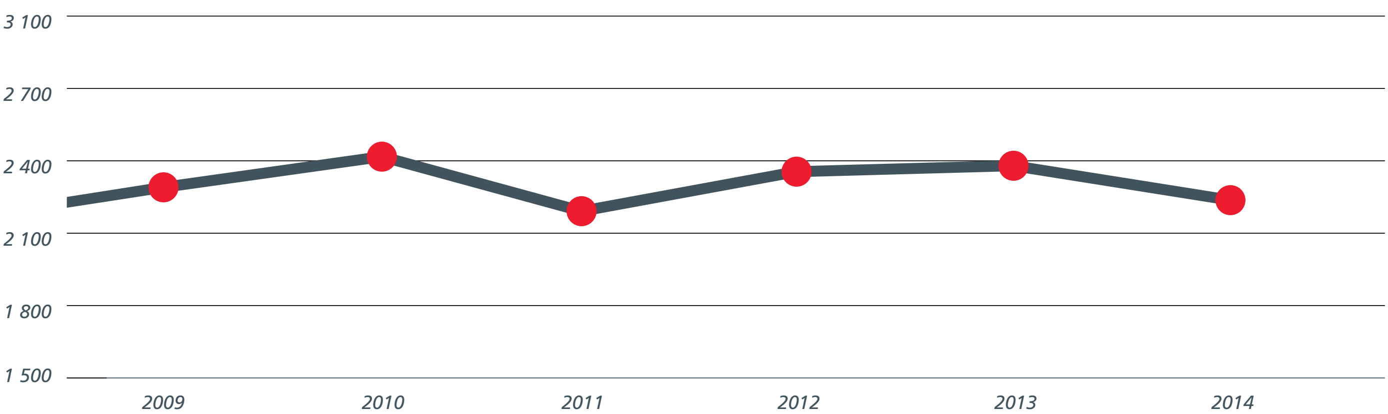
- 264 lights have been converted from 58W mercury vapour light to 35W energy efficient T5 fittings and lamps.
- 90 external uplighters have been converted from 70W incandescent light to 7.5W LED technology, with a further 54 planned for completion by the end of 2014; and
- 111 bus canopy lights are being converted from 150W to incandescent light to 7.5W LED technology, with completion planned by the end of 2014.

Controlling peak demand

An important aspect of effectively managing the CTICC's overall energy use is controlling peak demand electricity usage. Thus, peaks in demand above the base load supply are expensive to provide, and they waste power when the peak drops off.

Recognising this concern, the CTICC measures the fluctuations in its electricity demand patterns and endeavours to reduce these variations through smarter demand management. The centre's building management system is programmed to reduce the overlap of different energy consuming systems, as well as to stagger the operation of motor starters. The accompanying graph shows this fluctuation, year on year since 2009.

Average peak demand (kVA)



Note: This graphic shows how the CTICC's average peak demand on the City's electricity supply grid has steadily decreased since 2009.

The CTICC enhances waste management efficiencies by encouraging separation at source

Waste management

Of the total 497 000 tons of waste generated by the CTICC in the year under review, only 74 500 tons was collected by the City of Cape Town and sent to landfill sites. Hazardous waste comprised 5.6 tons of fat from the centre's kitchens and 240 kg of fluorescent tubes.

Reducing waste through effective recycling

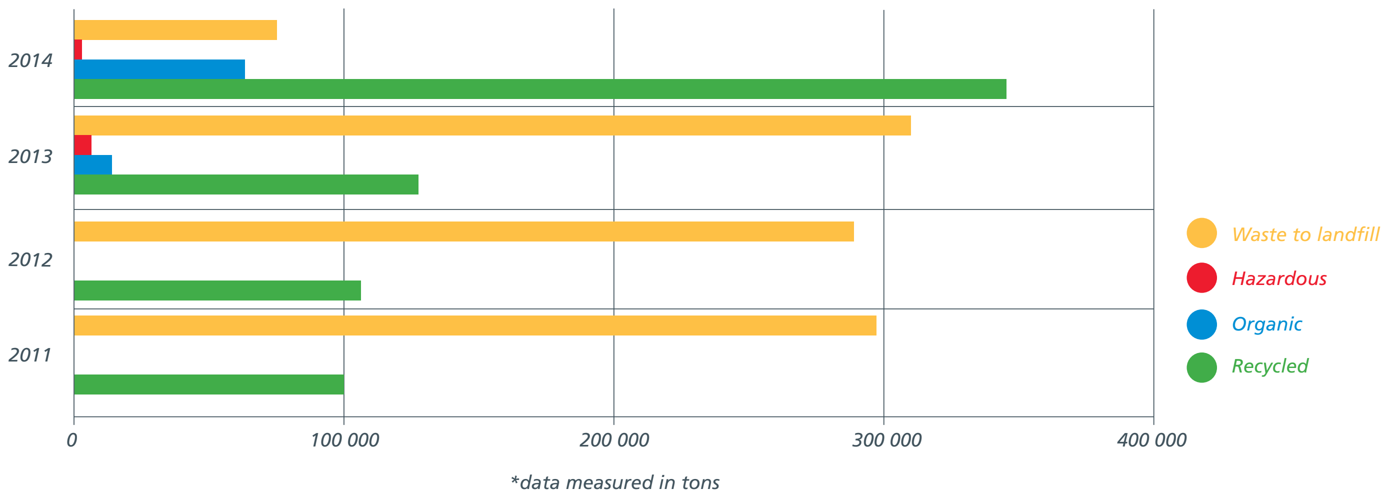
A core focus of the CTICC's waste management strategy is to reduce the burden of landfill waste on the city through responsible practices that reduce, re-use and recycle consumables.

There are four categories of waste that the CTICC recycles, namely ferrous metal, paper and cardboard, plastic, and glass. Where possible, these are separated at source, before waste contractors sort and separate the remainder before committing the balance to landfill.

Considering the significant amount of organic material produced in the CTICC kitchens, the centre has implemented an organic waste system designed to divert this material and send it for composting.

As a result of these initiatives, the ratio of waste recycled to that sent to landfills improved dramatically in the year under review. Historically, waste to landfill was typically three times the amount recycled and/or composted. In the past financial year, the waste to landfill portion dropped to less than one-fifth of the amount recycled and composted.

Increase in recycling and reduction in waste to landfill since 2011



Committed to accurate waste management monitoring and reporting

Initiatives to improve the management of waste

The CTICC's commitment to waste minimisation begins with its supply chain. The centre continues to develop its eco-procurement practices, giving preference to reusable and recyclable products over disposable items.

Extensive waste management practices are integrated into all operations and agreements with suppliers and business partners. A barcoded waste management system provides live monitoring of waste flows and management.

Other initiatives include:

- A three-bin system is used to separate all waste into various treatment categories, including plastic, paper, cardboard, glass, metals, hazardous materials and organic composting material.
- Wet waste is sent to an external contractor, for composting.
- Both hazardous and non-hazardous waste streams are monitored by type, volume and disposal method and disposed at certified waste disposal facilities.
- A waste management team has been established and trained to ensure best practices by all stakeholders.
- Barcoding of waste streams from different conference venues and kitchens enables tracking and accurate waste reporting to clients and management; and
- Exhibition stand material that can be repurposed in order to reduce waste to landfill.

Barcoding of waste streams enables accurate tracking and reporting of the CTICC's waste.

The CTICC Waste Champions Team helps drive sustainable waste management success

Waste Champions help drive waste management success

The CTICC's waste management strategy has delivered increasingly impressive results in recent years, with the amount of waste diverted from landfill per year improving from 25.5% in 2011 to 81.4% in 2014.

In the second half of the 2013/14 financial year, the effectiveness of this strategy was bolstered further by a range of innovations, including the introduction of a CTICC Waste Champions Team and the implementation of a composting system, waste awareness signage and various training interventions.

The Waste Champions Team was initiated by the Nurture our World (NOW) team at the end of the 2013 calendar year. Comprising representatives from various areas of the CTICC as well as its waste disposal and management contractors, the core focus of this innovative Waste Champions Team is to continue reducing the amount of waste sent to landfill by the CTICC.

By encouraging collaborative dialogue between employees and suppliers, the initiative has already solved a number of the waste management challenges that faced the centre, including how to effectively deal with mixed waste generated by the kitchens and exhibitions, and how to train and motivate staff to be more waste aware.

Integral to the success of the staff awareness drive has been the introduction of a quarterly Waste Champion prize to incentivise more active involvement in, and promotion of, the correct disposal of waste.

Responsible treatment of hazardous waste

The CTICC adheres to the requirements of the relevant material data safety sheets (MSDS) in the handling and disposal of all hazardous substances.

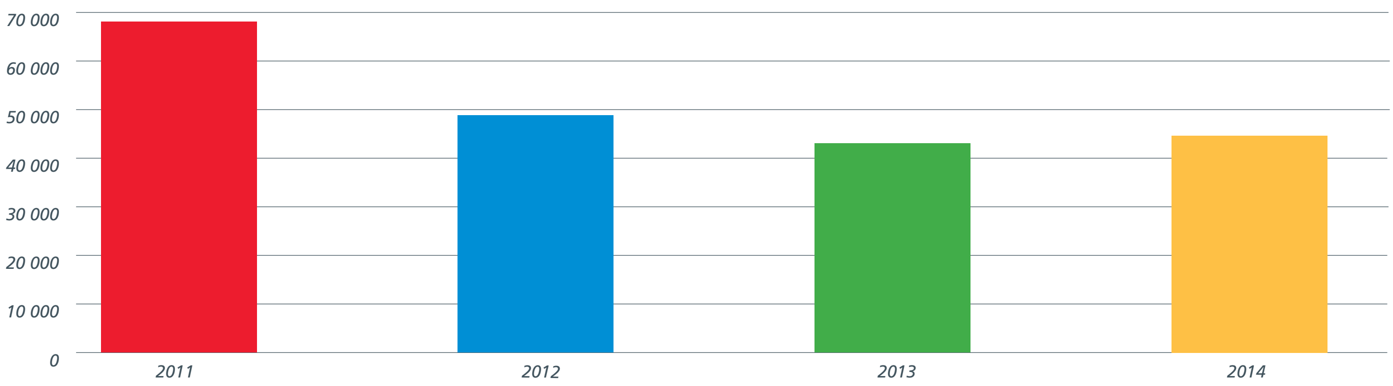
- A certified contractor collects CTICC's hazardous waste.
- Electronic waste and printer cartridges are segregated from the waste stream for safe disposal.
- All used oil is recycled through a certified contractor.
- Grease traps are regularly serviced, with residual grease (totalling 8 425 litres in the 2013/14 financial year) being treated as hazardous waste.
- A fluorescent lamp crusher is used on-site to crush and store spent fluorescent lamps and control the release of mercury vapour, prior to safe disposal as hazardous waste. A total of 440 litres of crushed fluorescent tubes were disposed of as hazardous waste during the year in review; and
- A series of universal spill kits are provided for oil, water, coolants and solvents. Waste management and cleaning staff have been trained in the deployment of these kits.

Minimising water consumption

The CTICC is committed to supporting the City's Water Conservation Strategy through its own responsible stewardship of water. In line with this commitment, the CTICC further reduced its consumption of water in the 2013/14 financial year. Since 2011, from a base-line consumption of 68 000 cubic metres of water, consumption by the CTICC has been reduced to 43 400 cubic metres, which translates to an overall reduction of 36%. Measured in terms of water consumption per delegate, the accompanying graph shows the CTICC has made a saving of 43% since 2011.

The CTICC is committed to supporting the City's Water Conservation Strategy through its own responsible stewardship of water.

Water consumption by the CTICC



A review of the water consumption data for the last few years showed that the data received was not always accurate due to the frequency of estimates instead of actual readings. The data for the last three years was recaptured and analysed, showing that the actual consumption was slightly lower than reported on previously.

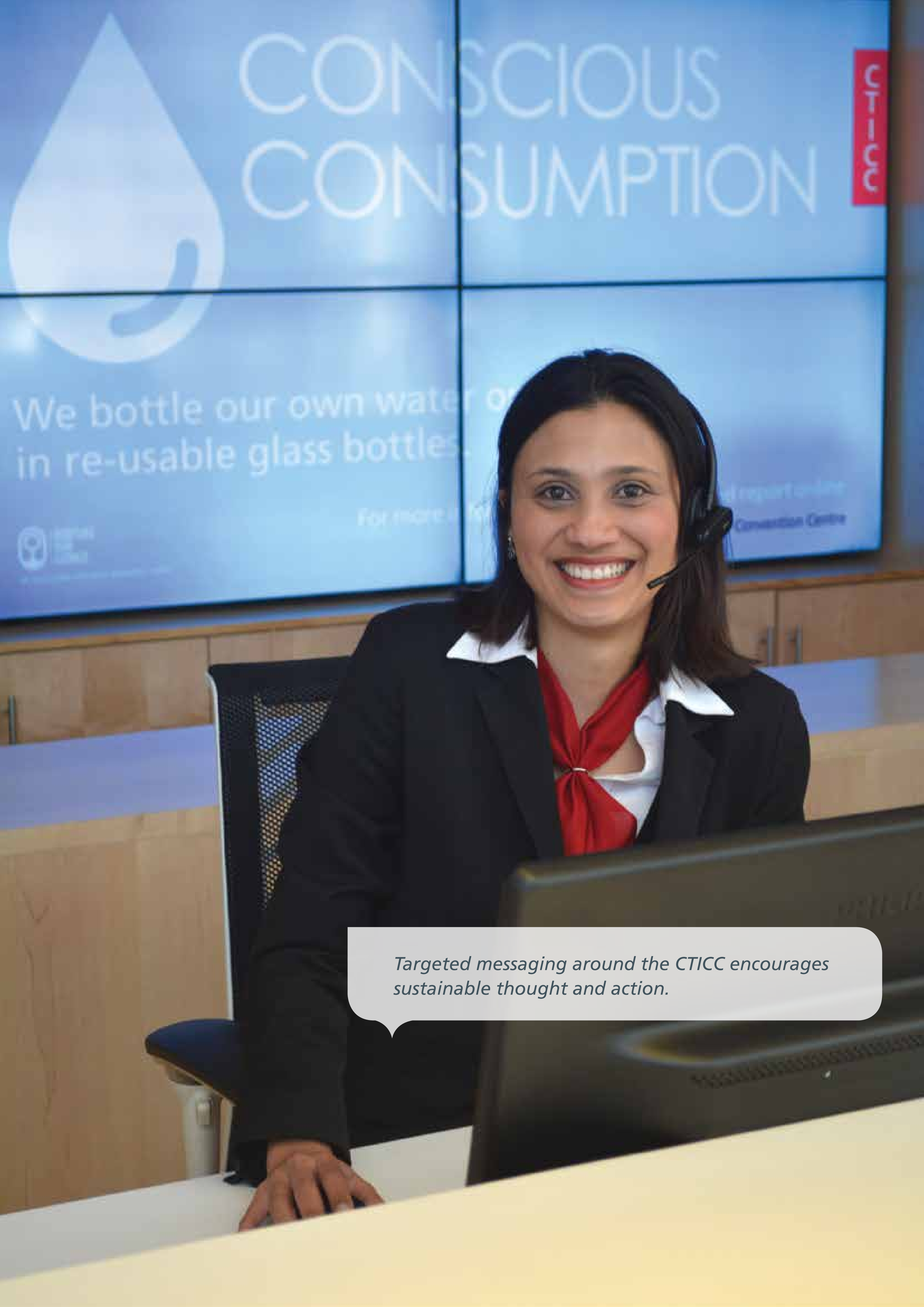
Five electronic water meters have been installed and linked to the central building management system and going forward will provide accurate readings for improved monitoring and control.

Other initiatives that are driving this successful ongoing reduction of water consumption by the CTICC include:

- The installation of educational signage to encourage water saving habits amongst visitors and delegates; and
- The installation of water-wise shower heads in all showers.

In the year under review, these initiatives were complemented by:

- The replacement of cooling tower float valves to prevent leakage.
- The replacement of condensation water non-return valves in the air-conditioners.
- The replacement of ball valves controlling redundant water supply; and
- Reduced flow to basin taps in public ablution facilities.



Targeted messaging around the CTICC encourages sustainable thought and action.

World Green Building Council Congress 2013

Managing indirect environmental impacts

In addition to the direct environmental impacts of its operations, the CTICC is aware that its role as a leading international convention centre has the potential to deliver various indirect impacts on environmental sustainability. It is committed to managing and minimising such impacts to the best of its ability, and in partnership with its various stakeholders.

Partnering with clients on their green journeys

A significant component of the CTICC's environmental sustainability commitment is partnering with its clients and other stakeholders to facilitate, complement or enhance their green journeys. In recent years, the centre has developed a range of event greening options that its clients could include in their events to add to their environmental sustainability contribution. Until the end of 2013, these green event packages were optional for CTICC clients, and they could still elect to utilise the centre's standard conference or event packages if preferred.

From the beginning of 2014, however, all of the CTICC's conference packages were redesigned to include the following green components as standard:

- Recycled or environmentally friendly conference consumables such as notepads and pens.
- Fair Trade coffee and food made from locally procured ingredients. All fish is from the SASSI green list.
- Multi-bin waste system to encourage recycling with separation at source.
- Water that is bottled on site into reusable glass containers using the Vivreau system.
- Maximisation of natural light in venues whenever practical.
- For each conference sold R5 is contributed to the Nurture Our World (NOW) Fund. These funds will be used in aid of the CTICC local community partners.
- Provision of a *Green Event Checklist* and a *Frequently Asked Questions* has been incorporated into the CTICC event marketing collateral; and
- Event organisers are encouraged to discuss ways to offset their carbon footprint with their Event Executive.

All CTICC's conference packages have been redesigned to include green components as standard.

Committed to creating a safe environment for staff, clients and guests

Accredited for a better, safer experience

In 2009, the CTICC became the first convention centre in Africa, and the second in the world, to simultaneously obtain three management system certifications. This year, the centre needed to be recertified by SABS for ISO 9001, 14001 and 18001. The audit was successful, with the resulting report stating, "Continual improvement was evident and the system was maintained effectively."

The various certifications achieved or renewed by the CTICC in 2013/14 included:

- ISO 9001 – Quality Management
- ISO 14001 – Environmental Management
- OHSAS 18001 – Occupational Health and Safety
- HACCP (Hazard Analysis and Critical Control Points) Food Safety
- AIPC Gold member; and
- Tourism Grading Council 5-star rating.

Committed to enabling environmental health and safety

In providing a quality service and product, the CTICC's policy is to improve environmental sustainability as well as maintain the highest possible standards of health and safety. To this end, all staff receives awareness training in these areas and are encouraged to assist clients, subcontractors and concessionaires to adopt best environmental, health and safety (EHS) practices.

Through the integration of EHS practices into all of its operations, the CTICC's EHS policy aims to:

- Ensure the sustainable use of natural resources to prevent pollution.
- Promote a work culture that meets core business targets through the prevention of occupational illness and injury, environmental awareness and the use of quality systems through continuous improvement.
- Establish achievable performance indicators to monitor progress and instil a culture of best practice; and
- Incorporate sustainable principles in decision-making processes.

In providing a quality service and product, the CTICC's policy is to improve environmental sustainability, as well as maintain the highest possible standards of health and safety.

The expansion will allow the CTICC to meet the growing demand for its services, and host concurrent events and exhibitions in a single, exceptional facility.

Growing success - the CTICC East expansion

Situated at the foot of one of the world's most iconic mountains, the CTICC enjoys a central location

It is the goal of the CTICC to be the best long-haul international convention centre by 2020. The expansion of the centre will raise the global competitiveness of Cape Town as a premier world-class meetings and events destination.

The compelling case for increased exhibition space

Over the past 11 years, the CTICC has consistently proved its worth. Since first opening its doors for business in 2003, it has injected more than R25 billion into national GDP and has been the primary driver of growth in Cape Town and the Western Cape's burgeoning events and exhibitions industry.

In addition, the presence of the CTICC has contributed directly to the growth of business tourism as a whole in the city and region, as well as serving to underpin the steady development of the South African hospitality industry.

Meeting increasing client demand

The expansion, which is scheduled for completion in 2017, will not only allow the CTICC to capitalise on the steadily growing global demand it is experiencing, but it will also allow the centre to offer its clients an even more compelling value proposition, namely the ability to host concurrent events and exhibitions in a single, exceptional facility.

The CTICC has been the primary driver of growth in Cape Town and the Western Cape's events and exhibitions industry, and has injected more than R25 billion into the national GDP through indirect economic benefits.

Financing the expansion

The capital cost of the CTICC expansion project is R832 million. This cost is being met through equity financing, with commitments covering the full capital amount already obtained.

Given the long-term nature of the expansion project, the CTICC is aware that the volatility of the South African rand against international currencies has the potential to impact on the costs of construction. The policy is therefore to rationalise the design and specifications of the expansion, if and when required, within the established parameters that support the business case for expansion. Such rationalisation has already taken place, to some extent, as a result of the effective loss of budget due to the rand's depreciation during the delays caused by the architectural design tender investigation process.

Strategies for cost reductions, hedging against currency fluctuations, forward purchasing and overcoming escalation will be tested and implemented throughout 2014/2015 as the project progresses.

"The City of Cape Town is proud to be the major partner in the ownership of the CTICC. We have committed ourselves by providing the land and the majority of the finance required. We are pleased to work with our partner, the Western Cape Government, and the Convenco Board, to make this project possible."

Ian Neilson,
Executive Deputy Mayor of Cape Town

Innovation-led design

Given the CTICC's commitment to achieving international standards and best practice, sustainability is a core priority of the new building, which will incorporate and where possible exceed world-leading green design principles. The CTICC expansion will also form part of a pilot project of the Green Building Council of South Africa.

Key sustainability targets for CTICC East include:

- Aiming for a 45% reduction in water consumption in comparison to a similar building constructed using standard building processes.
- Aiming for a reduction in energy consumption by 35% compared to building constructed according to national building regulations; and
- Aiming for a 70% reduction in construction waste.

"By expanding, we will be able to stage more events, offer 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, Chairman: Convenco

Adequate space for on-site sorting and recycling will reduce the amount of waste being sent to landfill sites.

Passive energy design and an advanced building management system will reduce the environmental footprint of the facility and save energy costs.

The CTICC East expansion is part of a broader precinct development, which is set to include commercial and hotel developments alongside a new hospital.

10 000 m^2 of flexible multipurpose exhibition space.

The CTICC is a great place to work, offering competitive employee benefits, and exposing its staff members to opportunities to develop skills and grow their careers.

Empowering and developing people

CTICC staff members are encouraged to share their skills and learn from each other

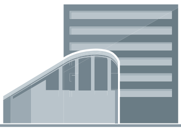
The continued success of the CTICC is directly attributable to the talent, passion and professionalism of its people. The centre recognises the responsibility it has to invest in its staff and enable them to maximise their potential and realise their career goals. The result of this investment is more motivated, loyal and productive employees and an employer brand that is highly attractive to the best talent in South Africa.

A diverse staff profile

The CTICC continues to place a top priority on being an employer of choice by ensuring that it is a great place to work, offers competitive employee benefits, and exposes its staff members to opportunities they need to develop and grow.

The centre employs 150 full-time staff (including four interns). During the year under review, it had 146 permanent staff members and four employees on fixed-term contracts. The centre makes extensive use of the services of contract workers according to the demand created by events taking place at the centre.

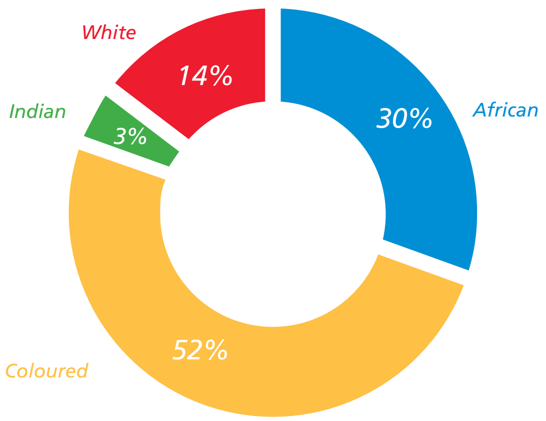
The demographic profile of the permanent staff component is illustrated in the charts on the following pages. The centre saw a net increase of 11 employees during the year under review, with 26 new staff members employed, while 15 left the organisation.



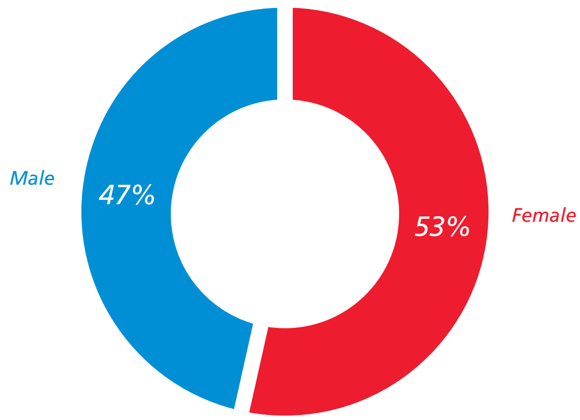
The CTICC's Human Resource and Talent Management strategy is to promote internal and external service delivery, develop the local pool of talent, and to further enhance the positive impact of the CTICC on the socio-economic development of the region.

CTICC staff profile for 2013/14 financial year

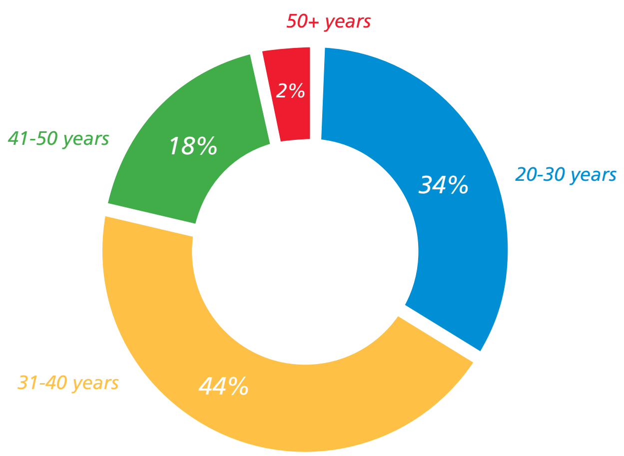
Ethnic groups



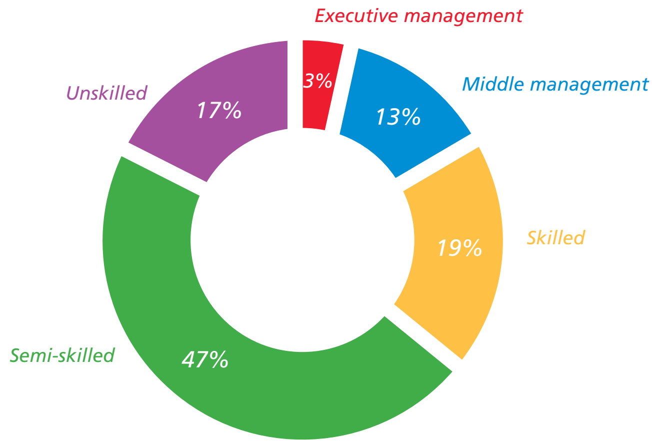
Gender



Age groups



Employment level



The CTICC is committed to promoting equal opportunities for all

Promoting equal opportunity

The CTICC goes well beyond compliance with the requirements of the Employment Equity Act (Act 55 of 1998) by proactively fostering an open and honest culture that promotes and enables diversity at all levels in the organisation.

Given the diversity of its target markets and stakeholders, the CTICC places a priority on ensuring that such diversity is mirrored in its workforce. In this way, it ensures that it is well positioned to meet the vastly different needs of its clients, while also doing its part to promote and contribute to the transformation of its industry and the broader South African society.

Currently the organisation comprises of 96% Cape Town or Western Cape recruits. With the exception of the incumbent CEO (whose tenure begins only in the new financial year), all of the centre's senior managers were recruited locally. The majority are also female and from previously disadvantaged groups.

Transforming human resources and talent management

The CTICC recognises that maximising the potential of its people is key to enabling the achievement of its long-term business objectives. For this reason, the centre, under the leadership of its Human Resources Manager and her team, has undertaken a process to transform its Human Resources and Talent Management via the development and implementation of a comprehensive talent management strategy that aims to:

- Promote value-added service delivery to both internal and external clients.
- Develop and deepen the pool of talent resources from the local communities; and
- Maintain and enhance the sustainable positive impact of the CTICC on the economic and social development of Cape Town, the Western Cape and South Africa as a whole.

Committed to effective employee engagement

Key to the effectiveness of individuals and teams across the CTICC is the facilitation and enablement of open communication and effective conflict resolution. The centre's Employment Relations Forum (ERF) is central to such open and transparent communication. It comprises six employees representing various departments, and is tasked with resolving employee matters through a collective, non-intimidating approach.

No incidents of discrimination were reported during the year under review.

A quarterly company council meeting is attended by the ERF, the Human Resources Manager and representatives from the executive management team. Here, matters are discussed that cannot be resolved through the primary ERF process or that have the potential to significantly impact on the employee relations environment at the CTICC. Such matters typically relate to conditions of employment, employment equity and skills development.

At present, the CTICC has 31 employees (20.6%) who are members of SACCAWU (South African Commercial, Catering and Allied Workers Union). While relations with this union are amicable, it does not have a majority membership within the CTICC and, as such, its activities relating to CTICC staff are minimal.

In the year under review the CTICC did not have any operations or significant suppliers where the right to freedom of association or collective bargaining was at risk.

Investing in staff training and development is key to the CTICC's sustainable success

Continuous training ensures top talent

The CTICC recognises that ensuring continued employee growth requires an ongoing commitment to investing significantly into the training, mentoring and skills development of all staff.

The Human Resources and talent management team is focused on driving this growth strategy by developing and strengthening the centre's employees through the prioritisation of formal training and degree qualifications, particularly in terms of statutory, vocational, developmental, and values-based leadership requirements.

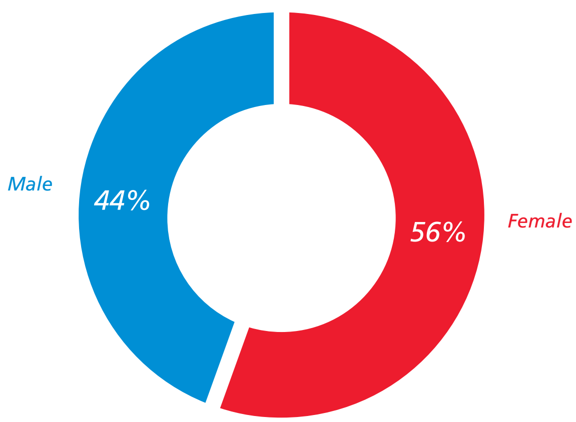
In the year under review, 100 staff members (67% of total staff) attended 22 different training sessions, resulting in a total of 1 085 hours of training. This included short courses without accreditation and courses that have accredited unit standards.

In addition, 15 employees participated in five different types of long-term training over a period of at least 12 months. It is anticipated that this will result in at least six employees receiving a degree or similar qualification at the end of the 2014 calendar year.

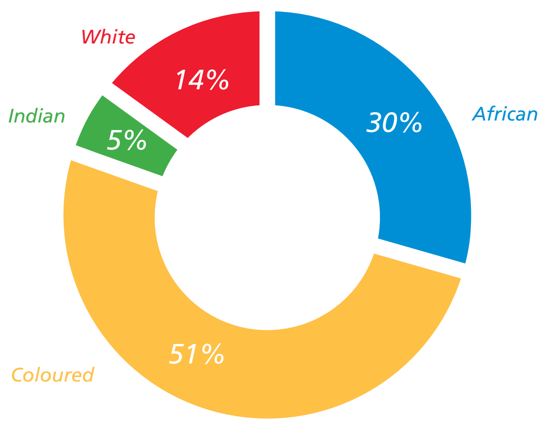
A total of 108 employees participated in both short and long-term training during the year under review, of which 44% were male and 56% were female. All of the CTICC departments were represented at these training sessions. The tables below provide a breakdown of the short and long-term training provided to CTICC employees during the past financial year. They also show the demographic and departmental breakdown of staff members who underwent this training.

Staff training in 2013/14

Gender

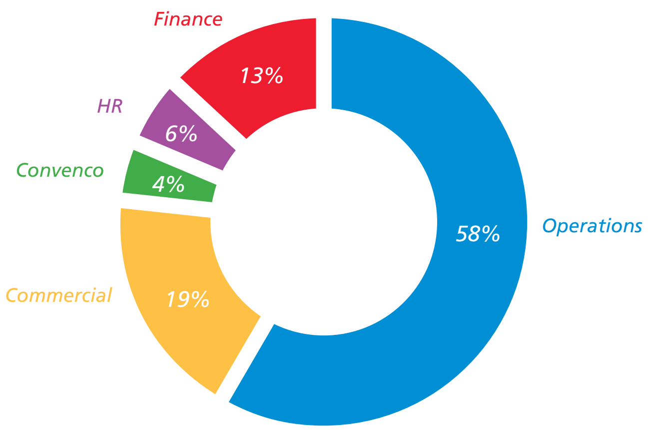


Ethnic groups



Staff training in 2013/14 (continued)

Category/function



67% of total staff, attended 22 different training sessions, resulting in a total of 1 085 hours of training.

Average hours of short-term training per department

Category/ Function	Hours	Staff	Average
Operations	641.5	61	10.5
Commercial	230.5	19	12.1
Convenco	8	1	8
HR	86.5	6	14.4
Finance	119	13	9.1
Total	**1 085.5**	**100**	**10.9**

Average hours of short-term training per gender

Gender	Hours	Total workforce	Average
Male	482	70	6.9
Female	603.5	80	7.5
Total	**1 085.5**	**150**	**7.2**

Training that reinforces the CTICC values

The CTICC places a particular emphasis on values-based leadership training achieved through team building, change management strategies, employee engagement and coaching.

In the 2013/14 financial year, the centre began investigating the potential for a focused intervention aimed at enhancing organisational development, enabling change management and creating a sustainable and meaningful values-driven culture. The outcomes of this discovery phase will inform the development of new induction processes as well as the enhancement of leadership development and coaching initiatives.

Offering targeted learning experiences

During the 2013/14 financial year, the CTICC focused on building its support of the Mitchells Plain School of Skills (a CTICC community partner) and opened its kitchens to students from the school in order to give them valuable industry exposure and on-the-job training. Given the added pressure that this learner training places on the centre's kitchen staff, it was decided not to offer formal learnerships at the same time.

Ensuring and enabling peak performance is a strategic imperative for the centre

Enabling and encouraging peak performance

Effective performance management is a central component of employee development at the CTICC. All employees participate in quarterly performance reviews as part of their regular scheduled career conversations with their line managers. These reviews are aligned with each employee's individual job description and agreed key performance criteria. All scheduled performance reviews were completed in the year under review and the results were used to inform bonus and increase determinations.

The CTICC's performance-based incentive scheme, implemented across all departments, is driven by Key Performance Indicators (KPI) that are identified and agreed between each staff member and their immediate line manager. Individual performance is then measured against these agreed indicators and used to determine incentive offerings per employee.

The individual KPIs are also linked to the overarching organisational KPIs as a means of ensuring that individuals and teams are empowered to contribute tangibly to the achievement of the CTICC's objectives and vision.

Remuneration packages for CTICC staff members are reviewed annually, and are benchmarked to similar positions in the meetings industry to ensure that they are fair across race and gender, as well as being competitive.

In the past financial year, the Human Resources and Remuneration Committee reviewed the centre's bonus policy and recommended to the board that the payment dates of bonuses be changed with a view to limiting resignations during crucial times in the CTICC's annual calendar.

Preparing for succession and career development

The CTICC recognises the importance of attracting top talent while, at the same time, developing the talent it already has. To this end, succession planning has been elevated to priority within the CTICC's overall personal development and training approach.

In April 2014, the Talent Officer conducted a training needs analysis that focused particularly on succession planning and career development. Following this analysis, 10 employees have been registered for further studies aimed at equipping them to succeed into identified positions over time.

Committed to empowering employees to take charge of their health and wellbeing

Caring for the CTICC's people

Employee wellness is the cornerstone on which productivity and development are founded. The CTICC therefore provides various platforms aimed at enabling its staff to enhance their health and wellbeing, particularly in the areas of physical, mental, social, financial and emotional wellness.

To encourage such wellbeing, the centre plans to host three wellness days a year to which all staff are invited. It also offers a variety of other wellbeing opportunities and motivators throughout the year.

A Wellness Day was hosted in March 2014, which attracted 109 employees. They received general health examinations relating to blood pressure, cholesterol, stress and weight measurements. The results of these voluntary tests have been collated and analysed by an independent medical insurance company, which provided the CTICC with a comprehensive report on the health and risk status of the participants.

Two of the CTICC's onsite labour broker service providers, Staffing Direct and Workforce, also hosted a wellness day in June 2014, which was attended by 140 contract staff. Voluntary testing was offered for HIV/AIDS, tuberculosis, high blood pressure, cholesterol and sugar levels, as well as dental and vision problems.

In addition to the wellness days, the CTICC is constantly innovating in terms of fostering a health conscious mindset among its employees and encouraging them to take charge of their health and wellbeing. Some of these initiatives in this regard during 2013/14 included:

- The refurbishment of the staff canteen to create a more health-aware environment.
- The introduction of more healthy and nutritious meal options in the refurbished canteen.
- Awareness talks about health issues by various subject experts.
- Participation in hospitality league games for soccer and netball teams.
- Organised outdoor activities for staff; and
- The promotion of cycling as a healthier and greener form of commuting.

Occupational health and safety

During the 2013/14 financial year, only seven minor injuries occurred on site at the CTICC, with no major consequences or fatalities. Based on 150 employees and 1 800 hours worked a person, this translates to an injury rate (IR) of 5.19 per 100 employees over 200 000 hours. There were no lost days, so the Lost Day Rate (LDR) for the period was zero. No occupational diseases were reported, which means the Occupational Diseases Rate (ODR) was also zero.

Four hundred and fourteen absentee days, including legal sick leave, were incurred for the year under review. Based on a total of 260.04 scheduled work days over the course of the year, there was a total of 39 006 staff days (for all 150 employees). As a result, the absentee rate (AR) for the year was 0.01 per 100 employees over 200 000 hours.

The CTICC is instrumental in deepening the hospitality talent pool in the Western Cape and South Africa

Harnessing the power of contract labour

The use of contract labour is standard practice in the eventing industry, with two labour broker service partners providing the CTICC with the majority of its temporary staff. Following various recent challenges in the SA labour broking industry, the CTICC has been working closely with its two preferred brokers to monitor and pre-empt the effect of any legislative changes. Contingency plans are being developed and will be agreed with these labour brokers as a means of effective risk mitigation.

The CTICC has also implemented a new specialisation strategy as part of its relationship with its labour brokers. The terms of this strategy place specific responsibility for the centre's various staffing requirements with each broker. This means that one labour broker is now responsible for meeting the CTICC's front-of-house staffing needs, while the other concentrates on production staff requirements.

This approach allows the respective brokers to build significant pools of qualified talent that the CTICC can draw on, thereby enhancing its overall service experience for clients.

The centre also continues to offer various training interventions to its temporary staff. In the 2013/14 financial year, 359 contract employees attended these training courses.

359

In the 2013/14 financial year, 359 contract employees attended these training courses.

Enabling personal and career development is a strategic imperative for the CTICC

Encouraging staff involvement

CTICC employees are encouraged to be actively involved in the centre's First Aid, Fire-fighting and Health and Safety Committees. The Health and Safety Committee meets every three months, in accordance with the requirements of OHSAS 18001:2007.

For the year under review, 17 of the centre's 150 employees (11%) were actively involved in the various Health and Safety Committees. This not only ensures representation of all staff on these bodies, but also engenders a greater sense of ownership of the organisation among its employees. All participating members have been trained and hold certificates of competence.

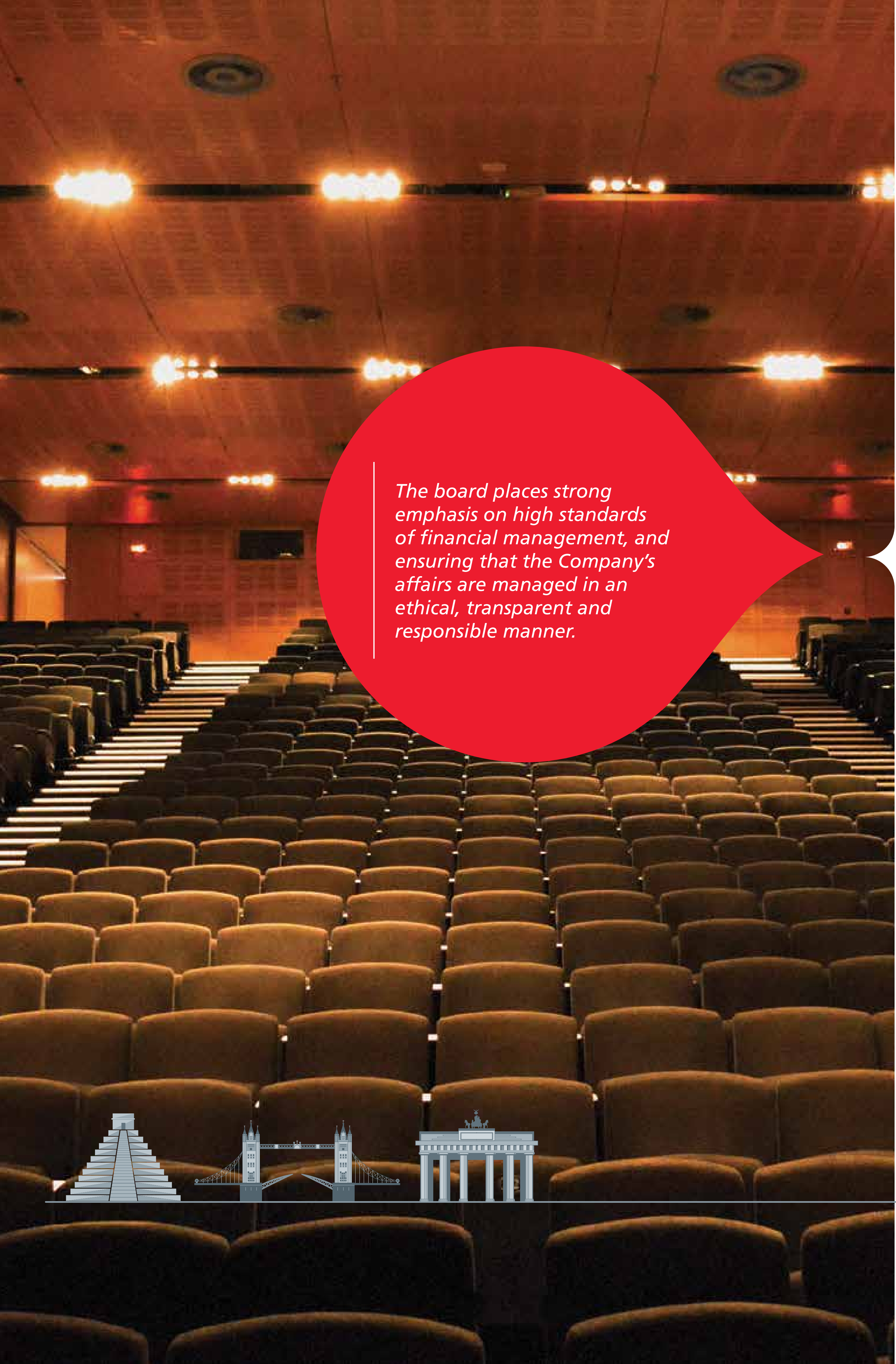
Protecting human rights

The CTICC remains absolutely committed to respecting and promoting human rights and freedoms, including the elimination of all forms of forced labour, compulsory labour and child labour. The centre is governed, in this regard, by extensive policies and procedures covering the rights of employees, suppliers and other stakeholders. These policies include:

- Conditions of employment
- Business practices and procedures
- Security, including health and safety
- Employee rights and disciplinary codes
- Employee benefits; and
- Financial policies, including supply chain management.

In the 2013/14 financial year, 14 staff members, representing 9% of the centre's permanent employee complement, received a total of 77 hours of training on human rights. There were no reports of discrimination or human rights infringement and no incidents of corruption were reported.

CTICC employees are encouraged to be actively involved in the centre's First Aid, Fire-fighting and Health and Safety Committees.



The board places strong emphasis on high standards of financial management, and ensuring that the Company's affairs are managed in an ethical, transparent and responsible manner.

Governance, Risk Management and Stakeholder Engagement

Governance

Governance commitment

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

Board structure and responsibilities

The Company is governed by an experienced and stable board of directors, which directs, governs and is in effective control of its business. The board is ultimately responsible for determining the strategic direction of the Company through the establishment of strategic objectives and policies. It has a unitary board structure, with 12 non-executive directors and two executive directors being the Chief Executive Officer and Chief Financial Officer. The roles of the Chairman and Chief Executive Officer are separated. The Chairman is a non-executive director, but is not independent. The board has not as yet appointed a lead independent director, but will be considering such an appointment in the near future.

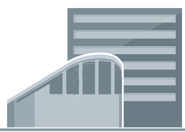
Compensation of board members

Remuneration of the board of directors, executives and senior managers is aligned with the MFMA. The City Council sets and revises the upper limits of remuneration for the board, as well as the CEO and executive staff reporting directly to him. Full details of the remuneration of the board during the year under review are contained in the 2013 Remuneration Report on page 98 of this report.

Bonuses are linked to performance and the Remuneration Committee determines the CEO's performance bonus. The management team (senior and middle management) receives performance bonuses in October, based on Company performance, while the bonuses paid out in February each year are based on individual performance.

There are currently two vacancies on the board. The position of Chief Executive Officer, which became vacant after Rashid Toefy's resignation on 30 June 2014, will be filled by Julie-May Ellingson as of 1 September 2014. The remaining vacancy must still be filled by a SunWest International (Pty) Ltd nominee.

Board meetings are held at least quarterly to review the Company's performance against budgeted targets and more frequently if necessary. Board meetings are scheduled well in advance and board members are provided with all relevant information to enable them to make informed decisions. A record is kept of each director's attendance at board and committee meetings. The directors may seek professional advice on matters concerning the affairs of the Company. Shareholders and employees may provide recommendations to the board through the Annual General Meeting (AGM) and the Employment Relations Forum (ERF) respectively.



The CTICC's board is ultimately responsible for determining the strategic direction of the Company. Its strategic objectives and policies have set it on course to achieving its goal of becoming the international conference destination of choice by 2020.

Convenco Board of Directors and Executive Management team

Directorate and Administration

For the year ended 30 June 2014

GM Fisher
Chairman
Non-executive
Appointed: 22/11/2011

R Toefy
Former CEO
Executive
Appointed: 1/3/2008
Resigned: 30/6/2014

AM Boraine
Non-executive
Appointed: 17/10/2006

RSH Eksteen
Non-executive
Appointed: 16/2/2014

SA Fisher (Dr)
Non-executive
Appointed: 9/2/2007

SW Fourie
Non-executive
Appointed: 22/11/2011

EI Hamman CA (SA)
Non-executive
Appointed: 20/4/2013

BJ Lodewyk CA (SA)
Non-executive
Appointed: 20/4/2013

GJ Lundy
Non-executive
Appointed: 20/4/2013

AA Mahmood
Non-executive
Appointed: 26/11/2013

S Myburgh-De Gois
Non-executive
Appointed: 16/2/2014

F Parker CA (SA)
CFO Executive
Appointed: 16/10/2012

AC Seymour CA (SA)
Chairman
Non-executive
Appointed: 10/2/2009
Resigned: 26/11/2013

DC Skeate
Non-executive
Appointed: 5/7/1999
Resigned: 26/11/2013

HJ Taljaard
Non-executive
Appointed: 5/7/1999

Administration
Company Secretary
MM Thirion
Appointed: 1/8/2006
PO Box 8120, Roggebaai, 8012

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

Principal Bankers
ABSA Bank Ltd, a member of the Barclays Group
PO Box 7735, Johannesburg, 2000

Attorneys
DLA Cliffe Dekker Hofmeyr,
a member of the DLA Piper Group
PO Box 695, Cape Town 8000

Details of Convenco Board composition

Independence	Surname	First name	Date of appointment	Female	Male	African	Coloured	Indian	White	20 - 30	31 - 40	41 - 50	Above 50
(*)	**Boraine**	Andrew Michael	17 October 2006		*				*				*
(*)	**Eksteen**	Ruwaida Suzette Heidi	16 February 2014	*			*				*		
(*)	**Fisher**	Stewart Alan	09 February 2007		*				*				*
	Fisher	Gary Morton	22 November 2011		*				*			*	
	Fourie	Solly William	22 November 2011		*		*						*
*	**Hamman**	Ethel Irene	20 April 2013	*			*					*	
*	**Lodewyk**	Barry Joseph	20 April 2013		*		*					*	
*	**Lundy**	Guy Jonathan	20 April 2013		*				*			*	
*	**Mahmood**	Aglaak Ahmed	20 April 2013		*			*				*	
(*)	**Myburgh-De Gois**	Sharon	16 February 2014	*					*			*	
#	**Parker**	Fairoza	16 October 2012	*				*			*	*	
*	**Taljaard**	Henning Jeremias	05 July 1999		*				*				*
#	**Toefy**	Rashid	01 March 2008		*			*				*	
			Total	**4**	**9**	**0**	**4**	**3**	**6**	**0**	**2**	**7**	**4**

* = independent non-executive (*) = independent non-executive according to the City of Cape Town # = executive

Details of Directors' Meeting attendance 1 July 2013 – 30 June 2014

Name of Director	Board	Audit & Risk Committee	HR & Remuneration Committee	Nominations Committee	Social & Ethics Committee	Expansion Committee	Ad Hoc committees
Total number of meetings	**11 meetings**	**5 meetings**	**4 meetings**	**1 meetings**	**3 meetings**	**4 meetings**	**10 meetings**
AM Boraine	9	-	3	1	-	3	7
S Myburgh-De Gois	3	-	-	-	-	-	-
RSH Eksteen	3	-	-	-	-	-	-
GM Fisher	11	-	(2)	-	2	4	4
SA Fisher (Dr)	9	5	-	-	-	(2)	-
SW Fourie	9	4	-	-	-	-	4
EI Hamman	10	-	-	-	3	4	2
BJ Lodewyk	10	5	4	-	-	-	6
GJ Lundy	9	-	3	-	-	3	2
AA Mahmood	10	3	-	-	2	-	-
F Parker	8*	(5)	(4)	-	-	(4)	-
AC Seymour	6	-	(1)	1	-	-	6
DC Skeate	5	1	-	-	-	-	-
HJ Taljaard	11	-	4	-	3	4	9
R Toefy	9*	(5)	(4)	(1)	3	4	4

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

** There were two board meetings to which only non-executive directors were invited. The Chief Executive Officer and Chief Financial Officer did not attend these meetings.*

Changes to the Board

Ashley Seymour and Denis Skeate both resigned as directors at the Annual General Meeting of the Company held on 26 November 2013. Ashley Seymour was replaced as Chairman by Gary Fisher. Aglaak Mahmood, who had been appointed as alternate director to Denis Skeate on 2 April 2013, was appointed as a full director at the Annual General Meeting. Ruwaida Eksteen and Sharon Myburgh-De Gois were appointed as directors on 16 February 2014.

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.

Audit and Risk Committee

Committee members:

- BJ Lodewyk CA(SA) (Chairman)
- SA Fisher (Dr)
- SW Fourie; and
- AA Mahmood.

The Audit and Risk Committee 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; internal and external audit processes; and compliance with laws and regulations.

The committee meets at least quarterly. Both the internal and external auditors have access to the committee and are invited to attend committee meetings.

Full details of the Audit and Risk Committee's activities during the year under review are contained in the 2014 Report of the Audit and Risk Committee Chairman on page 95 of this report.

Human Resources and Remuneration Committee

Committee members:

- HJ Taljaard (Chairman)
- AM Boraine
- BJ Lodewyk; and
- GJ Lundy.

The Human Resources and Remuneration Committee comprises four directors and meets at least once a year for the purpose of reviewing annual salary increases, bonus incentives and the Company's remuneration strategy. The committee's meetings are also attended by the Chief Executive Officer, Human Resources Manager and Chief Financial Officer of the Company and the Director: Shareholding Management of the City of Cape Town is also invited to attend meetings when necessary.

Bonuses are linked to performance and the Remuneration Committee determines the CEO's performance bonus. The management team (senior and middle management) receives performance bonuses in October, based on Company performance, while the bonuses paid out in February each year are based on individual performance.

Full details of the remuneration of the board during the year under review are contained in the 2014 Remuneration Report on page 98 of this report.

Nominations Committee

Committee members:

- GM Fisher (Chairman)
- AM Boraine
- RSH Eksteen; and
- SW Fourie.

The Nominations Committee comprises four non-executive directors and is tasked with overseeing and making recommendations to the board to ensure that:

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

Evaluation of the board of directors is conducted annually through a process of self-evaluation based on the King III requirements. The performance of the chairman and members of the various committees is also assessed. The purpose of such an internal performance evaluation is to encourage board members to take cognisance of what is expected of them and how best to address any possible gaps.

Board members disclose their other directorships in writing on a quarterly basis and disclosure of conflicts of interest is a standard item on the agendas of board meetings.

The committee only met once during the year. On a few occasions during the year the full board dealt with certain matters usually dealt with by the committee for reasons of expediency. An ad hoc board committee on which members of this committee served, handled the recruitment process of the new Chief Executive Officer.

Audit and Risk Committee

CTICC Expansion Committee

Committee members:

- AM Boraine (Chairman)
- GM Fisher
- SA Fisher
- EI Hamman
- GJ Lundy
- S Myburgh-De Gois; and
- HJ Taljaard.

The Expansion Committee is mandated by the board to oversee all aspects of the CTICC's planned expansion. The committee comprises of the Chairman of the board, six non-executive directors and the Chief Executive Officer of the Company. The General Manager: Operations and Food and Beverage attends all meetings of the committee. It meets as and when necessary. It met five times during the year under review, but it is anticipated that it will meet more frequently as the expansion gains momentum in the coming year.

Social and Ethics Committee

Committee members:

- EI Hamman (Chairman)
- GM Fisher
- AA Mahmood; and
- HJ Taaljard.

The Social and Ethics Committee comprises the Chief Executive Officer and four non-executive directors who have not been involved in the day-to-day management of the Company's business during the previous three years. The committee's role is to monitor the Company's activities, having regard to relevant legislation, other legal requirements and/or prevailing codes of best practice, with regard to matters relating to: social and economic development; good corporate citizenship; the environment, health and public safety, including the impact of the Company's activities, products or services; consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws and labour and employment; to draw matters within its mandate to the attention of the board as and when necessary and to report, through one of its members, to the shareholders at the Annual General Meeting on the matters within its mandate. The committee is also tasked with monitoring the ethical conduct of the Company, its executives and senior officials.

Compliance and good governance

Company Secretary

The Company Secretary ensures that, in accordance with pertinent laws, the proceedings and affairs of the directorate and, where appropriate, members of the Company are properly administered. The directors have access to the secretary and can seek the advice of the secretary on board and governance matters. The Company Secretary also acts as secretary to the committees of the board.

Internal control

The directors are responsible for ensuring that the Company has internal control systems in place aimed at providing reasonable assurances regarding the safeguarding of assets of the Company and the prevention of their unauthorised use or disposal. They are also responsible for ensuring the maintenance of proper accounting records and the reliability of financial and operational information utilised in the business. For the period under review, nothing has come to the attention of the directors or external auditors to indicate any material breakdown in the functioning of controls, procedures or systems.

CTICC Main Lounge

Risk management

The board is responsible for the governance of risk in the organisation (including information technology governance) and is committed to complying with the risk management requirements set out in King III. A comprehensive risk-identification and management process is in place to measure the extent of potential risks to the business in order to implement appropriate risk-mitigating interventions.

Management is responsible for the implementation of the risk management plan and for providing assurance to the board in this regard. The severity of risks is measured, and appropriate risk mitigating interventions are prioritised accordingly.

The precautionary principle is used as a tool when making decisions that might pose a risk to the organisation. The objective of this principle is to prevent harm from the outset, rather than managing it after it has happened. The CTICC has, for example, taken a tough stance on ensuring that the expansion of the centre meets best practice environmental standards, with clear monitoring systems in place.

The board is responsible for the governance of risk in the organisation (including information technology governance) and is committed to complying with the risk management requirements set out in King III.

Stakeholders play a key role in the centre's success

Overview of key risks, impacts and opportunities

Compliance and governance risk

As a State-owned enterprise, any governance and compliance risk is a significant concern for stakeholders. The possibility of non-compliance with changing legislation or regulations presents the CTICC with significant reputational risk if not managed appropriately. The CTICC has a number of procedures in place to mitigate such risk. All policies – internal and external – are regularly reviewed and updated to ensure compliance while, at the same time, prioritising business strategy and operations.

The CTICC is also committed to continuously monitoring legislation via a number of established channels. Rather than seeing legislative changes as a high risk, the CTICC proactively looks for opportunities to contribute to regulatory and legislative development and changes in order to raise its profile as a leading role-player in the South African and international events industry.

Policy and procedure risk

Due to the constantly changing environment within which the CTICC operates, the risk of inconsistency in the application of existing policies and procedures exists.

While the strong governance frameworks of the CTICC would ensure that any such inconsistency would be marginal and of short duration, this could adversely impact on the organisation's level of compliance. This, in turn, might impact on its ability to achieve the general standardisation of practices across all its operations that is needed to ensure organisational sustainability.

To mitigate this risk, the CTICC has compiled a Company Policy Review Planner that clearly details all policies and their review dates. The business undertakes regular training of all relevant staff on policies and procedures identified on the Policy Review Planner and the CTICC has a zero-tolerance approach to any breach of, or non-compliance with, its policies and procedures.

Climate change

While climate change has limited direct impact on the financial performance and position of the CTICC, the Company is acutely aware of the potential indirect risks it may pose. In terms of international conferencing trends, global event organisers are becoming more committed to managing their own carbon footprint, which could potentially have an impact on the financial sustainability of the organisation. In recognition of this risk, the centre has a robust sustainability action plan in place, as well as a strategy for growing its national revenue.

Similarly, changes in climate change could cause financial impacts to the centre in terms of fluctuating operating costs. In order to manage this risk, the centre has created processes which will assess the most likely and material risks, which will affect the centre's revenue, in order to plan strategically and develop product sets that respond to these risks.

Environmental risk

The risk exists, albeit a low risk, that a natural or geo-political catastrophic event may impact on the operations, profitability and sustainability of the CTICC. To mitigate such risk, the CTICC has a contract of hire in place ensuring that a force majeure clause covers any and all geopolitical impacts and natural disasters.

Stakeholder risk

There is a low risk that the CTICC's business decision-making processes and/or its strategic direction may be adversely impacted by shareholder interference, which would then impact on the organisation's ability to remain agile and relevant in the market. To prevent such risk, the CTICC sets out clearly defined targets and budgets for management annually and operates according to clearly defined delegation of authorities that are approved by the board. Ongoing awareness of the Company's Act and good corporate governance is also instrumental in mitigating this risk.

Overview of key risks, impacts and opportunities (continued)

Fraud risk

As is the case with any large organisation, the CTICC is faced with the risk of fraud, either due to criminal circumvention of its established policies and procedures, a breach of management authority, or collusion between stakeholders like staff, clients or suppliers.

Any incidence of fraud has a number of potential impacts on the sustainability of the organisation as such criminal activity affects not only the finances of the business, but also its reputation and, consequently, its effectiveness as a social and environmental sustainability leader.

A number of measures are in place to manage this risk, including:

- Adequate segregation of duties within and across departments ensuring that the risk of fraud is considered on implementation of controls.
- Ongoing management review, supervision and sign off of fraud prevention and other policies.
- Regular internal audits as agreed per the annual audit coverage plan.
- Zero tolerance towards fraud and immediate action taken where fraud is detected.
- A declaration of interest requirement in tender documents by suppliers.
- A gift register/declaration of interest "tool"; and
- Ongoing anti-fraud awareness and training among staff.

Technology and future trend risk

As a global industry leader, the CTICC seeks to create memorable experiences for its clients and guests, many of which rely on the latest technology as well as the centre's ability to capitalise on the latest international catering, event and conference management trends.

Any potential failure to stay abreast of such technology and future trends represents significant risk for the CTICC. As a result, the organisation is committed to constantly investing in technology and it benchmarks itself against other top international convention centres in this regard.

The findings of the regular client satisfaction surveys also serve as valuable inputs into the centre's technology implementation and upgrade.

Sustainability

The board is committed to the sustainability of the organisation and has put in place the relevant procedures to enable the Company to meet its commitments to its various stakeholders in an ethical, socially responsible, and environmentally-friendly manner. The board has affirmed its ongoing commitment to procurement from black economically empowered companies and to the development of intellectual and human capital within the Company with a particular focus on historically disadvantaged individuals.

Ensuring accuracy of reporting

To ensure the accuracy of reported data, the CTICC utilises a number of monitoring and reporting systems. All reports are submitted to the General Manager: Operations, Food and Beverage, who then produces a high level overview to form the basis of ongoing communication around sustainability issues at the CTICC. The monitoring and reporting systems include:

- **GRI Indicator Reports** (quarterly)
  These focus on the collection of performance data relating to the material GRI indicators listed in the GRI Index on page 139. Concerns relating to material performance are highlighted for management's response; and
- **Nurture Our World (NOW) team reports** (monthly)
  These reports focus on the monthly updates from the NOW team and leadership team meetings. They address project progress reporting, as well as some of the non-financial issues not included in the GRI indicator table. These reports are also used as inputs to various board reports.

In addition to regular formal reporting, the Building Management System monitors and provides live reporting on resource consumption. This is vital for the day-to-day management of operations in a highly proactive manner. A new barcoded waste management system has been implemented to ensure the efficient capturing of data about the type of waste generated in different parts of the building. Additional water meters have being installed in various locations in the building to allow more active monitoring of water consumption.

Ethics overview

Countering corruption

The CTICC is required to adhere to the Municipal Financial Management Act (MFMA). The CTICC's ethics commitment is covered by its Fraud Policy and the Declaration of Interest tools and procedures that have been implemented.

During the year under review, 14 employees attended a workshop on human rights, which included aspects of fraud prevention and ethical behaviour.

The CTICC Fraud Policy applies to any actual or suspected fraud, corruption, theft or irregularities of similar nature, involving any CTICC. The aim is to manage the susceptibility to fraud risk with a view to reducing it, while raising the level of fraud awareness amongst employees and other stakeholders. Procedures are also in place to enable employees of the CTICC to raise any grievances.

The Social and Ethics Committee promotes good governance principles and the implementation of the King III Code on Corporate Governance, with the aim to build and sustain an ethical corporate culture within the Company.

No incidents of fraud and corruption were reported during the period under review and no actions were required.

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During the year under review, 14 employees attended a workshop on Human Rights, which included aspects of fraud prevention and ethical behaviour.

Policies approved during the year under review

	Name	Date Approved
11.	Grievance Policy and Procedure	30 August 2013
14.	ICT End User Device Use and Storage Policy	30 August 2013
17.	Outside Work Moonlighting Policy	30 August 2013
25.	Use of Company Property Policy	30 August 2013
29.	Directors' Remuneration Policy	30 August 2013
12.	Health and Safety Policy	29 November 2013
30.	Discount and Yielding Policy	21 February 2013
31.	Investment Policy	27 March 2014
36.	Bonus Policy	27 March 2014
21.	Sexual Harassment Policy	08 April 2014
37.	Legal Representation Policy	08 April 2014
24.	Uniform Policy	29 May 2014

Compliance with marketing and communications standards

The CTICC does not adhere to any voluntary standards or codes relating to its marketing communications. The core organisational values are communicated through the Company's environmental policy statement.

The CTICC annually submits a Communication on Progress (COP) to the UNGC, and reviews its sustainability statement and policy every year to ensure it is still relevant. The CTICC does not sell products and services that are banned in certain markets or that are the subject of stakeholder questions in public debate.

In compliance with the Consumer Protection Act (Act 68 of 2008), the CTICC has in place mechanisms for lodging a complaint or raising any concerns around business processes. Client satisfaction surveys address issues relating to events.

Effective engagement with stakeholders remains a priority for the CTICC

Stakeholder engagement

The CTICC has identified its stakeholders from its business interactions throughout its value chain. This engagement has raised a variety of issues, which have defined the inclusion of the stakeholder group responsible. Stakeholder groups include:

- Shareholders
- Tourism and business partners
- Clients
- Service partners
- Contracted labour
- Communities and broader society; and
- CTICC staff.

The table on page 86 provides a more detailed representation of these stakeholder groups, the nature of their relationship with CTICC and the main engagements that occurred with them in the year under review.

The CTICC's engagement with each of its stakeholders is unique and is dependent on the nature of its relationship and its recognition of the extent of the engagement desired. To encourage stakeholder interaction, a series of specific events is hosted throughout the year, including the regular Convenco Board and committee meetings, shareholder meetings and social functions designed to create opportunities for the CTICC to engage with its stakeholders. This year the CTICC hosted several stakeholder events, including but not limited to:

- **Client relationship events** – Numerous events were held throughout the year to which clients were invited and at which they were able to provide direct feedback and input.
- **Media engagements** – Local, national and international media are key partners in the CTICC's continued efforts to raise its profile as a leading global events destination. The centre regularly engages with the media both informally and formally.
- **Staff meetings** – The CTICC held four staff meetings during the year, which were aimed at encouraging direct communication with this vital stakeholder group. A staff conference was also held; and
- **Debriefings** – Comprehensive product and service feedback was obtained via a thorough client debriefing session after each key event.

The materiality assessment for this report was facilitated by an independent consultant and completed by the CTICC's Nurture Our World (NOW) team.

A partnership-driven approach enables the CTICC to deliver consistently unforgettable experiences

Engaging with our peers

The CTICC is represented on numerous industry boards such as SAACI and EXSA. These are all key bodies involved in growing the local economy. Regular meetings are held where information, ideas and feedback are shared.

Engaging with our shareholders

As CTICC's majority shareholder, the City of Cape Town, is the stakeholder most closely involved in the business of the CTICC. Likewise, the provincial government of the Western Cape, with its significant shareholding, also shares a significant interest in our long-term success.

The Director: Shareholding Management of the City is invited to attend all Convenco Board meetings and some Remuneration Committee meetings. Two senior provincial government officials serve on the board as non-executive directors.

The weekly Legal Steering Committee meetings regarding the expansion are attended by the Director: Shareholding Management and her legal adviser, as well as two other City officials (from its Property Management Department), and the City's Foreshore Precinct Development Manager. Two officials from provincial government also attend these meetings.

Shareholding

62.8%
City of Cape Town

24.9%
Western Cape Government

12.3%
SunWest International

Stakeholder engagement in the 2013/14 financial year

Stakeholder relationship	Priorities/material issues identified	Response
Shareholders		
City of Cape Town	Economic growth and job creation. Infrastructure-led growth and development. Expansion programme stays on track and within budget. Governance of the business.	Significant increase in annual contribution to GDP and GGP and spreading wealth creation. Close co-operation with the City regarding planning and expansion decisions.
Tourism industry stakeholders	CTICC's role in raising the tourism profile of the city and region.	Y-O-Y increase in visitor days. Continued efforts to profile CTICC, city, province and country at an international industry level. Launch of the CTICC Ambassador Programme.
Clients • Professional conference organisers • Exhibition organisers; and • Event organisers.	Pertinent issues related to event logistics and event feedback. Price and affordability. Delivery of excellent product and service.	Client engagement panel discussions. Client relationship management events. Customer satisfaction surveys. Post-event debrief meetings with clients.
Service partners	Inconsistency in service delivery.	Regular performance and Service Level Agreement (SLA) reviews.
Media	Various queries and concerns regarding the proposed expansion and the CTICC highlights.	Ongoing media releases and direct responses to queries by CEO.
CTICC staff	Desire to be involved in the CTICC's social sustainability efforts. Ongoing focus on training and career development opportunities. Input into client experience and satisfaction initiatives. Talent retention. Remuneration.	Focus by the NOW team on increasing access to volunteerism opportunities. Investment in training and development. Regular sharing of client survey results to inform experience delivery efforts across the business. Investing in staff. Staff rewards and recognition initiatives.

Company details

The preferred global destination for every event

Registered name

Cape Town International Convention Centre SOC Limited

Company registration number

1999/007837/07

Registered office

Convention Square
1 Lower Long Street
Cape Town
8001

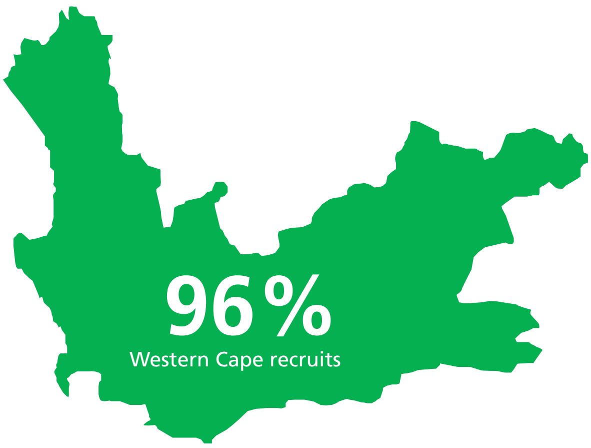
PO Box 8120
Roggebaai
8012

146

Permanent staff members

1 085

Total hours of training



"The launch of the centre's much-anticipated expansion is the pinnacle of 11 years of consistently outstanding performance."

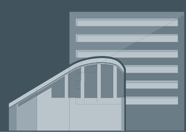
Gary Fisher,
Chairman: Convenco

Annual financial statements

Contents

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

The following supplementary schedules do not form part of the financial statements, and are unaudited:



Not only has the CTICC achieved a R22.6 billion economic contribution to the local economy since 2003, the Company continues to affirm its commitment to procurement from black economically empowered companies, this year achieving a BBBEE procurement score of 78%, up from 72% in 2012/13.

Directors' Responsibility Statement
for the year ended 30 June 2014

The directors have responsibility 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) Limited. 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 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.

Approval of the annual financial statements

The annual financial statements which appear on pages 93-134 were approved by the board of directors on 28 August 2014 and are signed on their behalf by:

Authorised director 28 August 2014	Authorised director 28 August 2014	Authorised director 28 August 2014

Report of the Directors
for the year ended 30 June 2014

The directors have pleasure in presenting their report for the year ended 30 June 2014.

1. General review

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

2. Dividends

No dividends were declared or recommended during the year.

3. Share capital

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

4. Events subsequent to year-end

Further tranches of shares in the Company will be issued to the shareholders on pre-agreed dates in terms of the accepted share offer letter. The shares are issued in return for cash to fund the planned expansion of the CTICC.

5. Directors

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

R Toefy (CEO)	- Resigned 30 June 2014
AC Seymour	- Resigned 26 November 2013
AM Boraine	
DC Skeate	- Resigned 26 November 2013
SA Fisher	
SW Fourie	
HJ Taljaard	
GM Fisher (Chairman)	
F Parker (CFO)	
EI Hamman	
BJ Lodewyk	
GJ Lundy	
AA Mahmood	- Appointed 26 November 2013
S Myburgh-De Gois	- Appointed 16 February 2014
RSH Eksteen	- Appointed 16 February 2014

6. 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).

7. Shareholding

The City of Cape Town owns 62.8% of the Company's shares. The remaining shares are held by the Provincial Government of the Western Cape (24.9%) and SunWest International (Pty) Ltd (12.3%).

8. Subsidiary

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

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

Company Secretary's Certificate
for the year ended 30 June 2014

In terms of Section 88(2)(e)of the Company's Act, no. 71 of 2008 (the Act), I certify that the Company has lodged with the Companies and Intellectual Property Commission, all returns and notices as required by the Act in respect of the financial year ended 30 June 2014, and that all such returns and notices are true, correct and up to date.

MM Thirion
Company Secretary
28 August 2014

Report of the Audit and Risk Committee
for the year ended 30 June 2014

The Audit and Risk committee (the committee) submits its report as required by section 94 of the Companies Act, 71 of 2008.

Audit committee responsibility

The committee is governed by formal terms of reference, which have been approved by the board and which are regularly reviewed. It fulfils its responsibilities in terms of the Municipal Finance Management Act, 56 of 2003 (MFMA), the Companies Act, 71 of 2008 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 senior management. The committee acts in an advisory and oversight capacity; it does not relieve management of its responsibilities but makes objective and independent recommendations.

Composition of the committee

The committee currently comprises four non-executive directors with appropriate qualifications and experience, nominated by the board and appointed by the Council of the City of Cape Town. A quorum for meetings is a majority of the members present.

Name of committee member	Qualifications
BJ Lodewyk (Chairman)	B.Com (Acc.); Hons B. Compt; CA (SA)
SA Fisher (Dr)	M.B,CH.B.; M. Med
SW Fourie	B.Com (Econ); Hons, MBus. Admin.
AA Mahmood	B.Compt; MBA

Attendance at meetings

The committee meets at least four times a year and its meetings are attended by the Chief Executive Officer, Chief Financial Officer and representatives of the internal and external auditors.

Refer to page 77 for the number of meetings held and attendance at meetings of the committee.

Key functions and responsibilities of the committee

The legal responsibilities of the committee are set forth in the Companies Act, 71 of 2008, and the Municipal Finance Management Act, 56 of 2003.

The committee

- 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 issues 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, progress with execution, coverage 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 for the external audit engagement, reviews the effectiveness of the external audit process. Any significant issues arising from the annual audit are brought to the committee's attention;

Report of the Audit and Risk Committee (continued)

The committee (continued)

- 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;
- 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;
- 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; and
- 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 period. 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.

Internal control

The committee has, during the period under review:

- Reviewed the expertise, resources and experience of the Company's finance function and found it to be adequate;
- Reviewed the quarterly and annual financial results, statements and reporting for 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 preventing and detecting fraud;
- Reviewed the significant issues raised by the internal and external auditors;
- Had oversight of the IT governance gap analysis to identify possible areas for improvement; and
- Had oversight of the financial aspects of capital projects including the CTICC East expansion.

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

Risk management

The committee has, during the period under review:

- Exercised oversight in respect of the enterprise risk management function, which remains management's responsibility; and
- Monitored implementation of the Company's risk management action plan and made recommendations regarding improvement of reporting thereon.

External audit

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

Annual financial statements and conclusion

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

The board has subsequently approved the integrated report, which will be open for discussion at the upcoming annual general meeting.

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

BJ Lodewyk CA(SA)
Audit Committee Chairman
28 August 2014

Report of the Human Resources and Remuneration Committee
for the year ended 30 June 2014

This report is presented by the chairman of the Human Resources and Remuneration committee ("the committee").

Composition of the committee

The committee comprises four non-executive directors of the Company. The Director: Shareholding Management of the City of Cape Town is invited to attend all committee meetings. The executive directors and certain members of management attend meetings by invitation. The committee met four times during the period under review. Details of attendance at meetings appear on page 77 of this report.

The role of the committee

The committee is governed by formal terms of reference, which have been approved by the board and which are regularly reviewed. The committee has an independent oversight and advisory role. A formal work plan has been adopted.

Key functions and responsibilities of the committee

The committee:

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

Remuneration strategy and policy

- The Company's remuneration strategy is aimed at attracting, motivating and retaining competent and talented leaders and staff in order to ensure that its business remains sustainable. Remuneration levels are influenced by the scarcity of skills and work performance.
- A performance based incentive scheme has been introduced and it has been rolled out to all levels of the Company. Key Performance Indicators (KPIs) are identified and agreed between each staff member and his/her immediate superior and his/her performance is measured against these agreed indicators. Individuals' KPI are linked to the Company's KPIs as a means of ensuring that the Company achieves its objectives. A reward and recognition programme has also been implemented.
- Remuneration packages are reviewed annually, and are benchmarked to similar positions in the meetings industry to ensure that they are fair and competitive.
- During the period under review the committee reviewed the Bonus Policy and recommended to the board that the payment dates of bonuses be changed with a view to limiting resignations during crucial times in the Company's annual calendar.

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, 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 26 November 2013. The policy has since been amended and it will be tabled at the upcoming Annual General Meeting on 21 October 2014.

Refer to page 127 for details of the directors' remuneration for the period under review.

HJ Taljaard
Remuneration Committee Chairman
28 August 2014

Report of the Social and Ethics Committee
for the year ended 30 June 2014

This report is presented by the committee to describe how it has discharged its statutory duties in terms of the Companies Act 71 of 2008, in respect of the financial year ended 30 June 2014.

Mandate of the committee

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

Additional duties set forth in the committee's charter include oversight of the institutionalisation and integration of the Company's ethical standards (code of conduct and related policies) into its strategies and operations and providing assurance to the Board that this is done.

Social and ethics committee responsibility

The Board recognises the importance of ethical leadership in organisations to ensure that ethical behaviour is at the core of the Company's business; it is crucial to ensure that sound governance prevails. The Board assumes the ultimate responsibility for the Company's ethics performance, which is delegated to the executive management. The chief executive officer is the visible link between the Board's corporate ethics expectations and the Company's ethics management and operations.

The committee is governed by formal terms of reference, which have been approved by the board and are regularly reviewed. It fulfils its responsibilities in terms of the Companies Act and regulations and its terms of reference. The committee is accountable 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 senior management. The committee has an independent role and acts in an advisory and oversight capacity. It makes recommendations and assists the board of directors to ensure that the Company's organisational integrity is built on an ethical corporate culture, but it does not relieve management of its responsibilities.

Composition of the committee

The committee is currently comprised of four non-executive directors who have not been involved in the day-to-day management of the Company's business within the previous three years. A quorum for meetings is a majority of the members present.

Attendance at meetings

The committee must, in accordance with its terms of reference, meet at least twice a year. During the past financial year it met three times. Refer to page 77 for the attendance at meetings of the committee.

Discharge of responsibilities

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

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, in particular its BBBEE rating, employment equity, health and safety, employee wellness and stakeholder relationships.

The committee recognises that issues within its mandate are constantly arising, but is satisfied that management of the Company is dedicated to integrating ethics into the business of the Company and paying sufficient attention to ethics management.

(Ms)EI Hamman CA(SA)
Social and Ethics Committee Chairman
28 August 2014

Report of the Auditor-General of South Africa
for the year ended 30 June 2014

Introduction

1. I have audited the financial statements of the Cape Town International Convention Centre Company SOC Limited set out on pages 104 to 134, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flows statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Companies Act, 2008 (Act No. 71 of 2008) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cape Town International Convention Centre Company SOC Ltd as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and the Companies Act of South Africa.

Additional matters

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

Unaudited supplementary schedules

8. The supplementary information set out on pages 135 to 136 does not form part of the financial statements and are presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

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

Other reports required by the Companies Act

10. **Report on other legal and regulatory requirements**

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected key performance areas presented in the annual performance report of the municipal entity for the year ended 30 June 2014:

    - Key performance area 1: Events on pages 20 to 25
    - Key performance area 3: Customer centricity and service excellence on pages 43 to 47; and
    - Key performance area 6: Governance on pages 75 to 83.

13. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

14. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned key performance areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected key performance areas.

Compliance with legislation

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

Internal control

18. I considered internal control relevant to my audit of the financial statements, key performance areas and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

Investigations

19. As reported in the prior period, an investigation was conducted by the Office of the Public Protector (OPP) into the purchase of land by the City of Cape Town. As an ancillary matter to that investigation report the OPP recommended that an investigation be instituted by the City of Cape Town's Forensic Services Department (FSD) into supply chain management procedures of the Cape Town International Convention Centre Company SOC Limited's expansion project. At the date of this report, the FSD's report had not been finalised.

Auditor-General

Auditor-General of South Africa
Cape Town
16 October 2014

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Statement of financial position
as at 30 June 2014

	NOTES	2014 R	2013 R
ASSETS			
Non-current assets		**205 314 219**	185 429 288
Property, plant and equipment	2	**205 314 119**	185 429 188
Investment in subsidiary	3	**100**	100
Current assets		**366 275 193**	168 644 351
Inventories	5	**1 068 413**	1 120 056
Receivables and other receivables from exchange transactions	6	**10 207 299**	12 676 167
Cash and cash equivalents	14.3	**354 999 481**	154 848 128
Total assets		**571 589 412**	354 073 639
NET ASSETS AND LIABILITIES			
Net assets		**507 316 843**	290 685 749
Contribution from owners	7	**764 713 201**	565 639 701
Accumulated deficit		**(257 396 358)**	(274 953 952)
Non-current liabilities			
Deferred taxation	4	**2 200 973**	4 639 770
Current liabilities		**62 071 596**	58 748 120
Client deposits		**28 308 347**	25 071 289
Payables and other payables from exchange transactions	8	**30 482 725**	30 068 617
Provisions	9	**3 249 504**	2 688 593
Receiver of revenue		**31 020**	919 621
Total net assets and liabilities		**571 589 412**	354 073 639

Statement of financial performance
for the year ended 30 June 2014

	NOTES	2014 R	2013 R
Revenue from exchange transactions	11	**171 862 199**	154 328 799
Cost of sales		**(23 289 121)**	(18 999 117)
Gross profit		**148 573 078**	135 329 682
Other operating income from exchange		**15 684 516**	13 101 250
Finance Income	12	**11 279 704**	7 703 583
Other		**4 404 812**	5 397 667
Operating expenses		**(138 407 710)**	(121 675 140)
Operating profit	10	**25 849 884**	26 755 792
Finance costs	12	**(40 633)**	(39 746)
Profit before taxation		**25 809 251**	26 716 046
Taxation	13	**(8 251 657)**	(8 876 556)
Net profit for the year		**17 557 594**	**17 839 490**

Statement of changes in net assets
for the year ended 30 June 2014

	STATED CAPITAL R	CONTRIBUTIONS FROM OWNERS R	ACCUMULATED DEFICIT R	TOTAL R
Balance at 1 July 2012	565 639 701	565 639 701	(292 793 442)	272 846 259
Profit for the year	-	-	17 839 490	17 839 490
Balance at 30 June 2013	565 639 701	565 639 701	(274 953 952)	290 685 749
Profit for the year	-	-	17 557 594	17 557 594
Share issue	199 073 500	199 073 500	-	199 073 500
Balance at 30 June 2014	**764 713 201**	**764 713 201**	**(257 396 358)**	**507 316 843**

Cash flow statement
for the year ended 30 June 2014

	NOTES	2014 R	2013 R
Cash flow from operating activities		**42 336 666**	51 652 488
Cash receipts from customers		**181 887 124**	162 147 118
Cash paid to suppliers and employees		**(139 210 474)**	(106 512 678)
Cash generated from operations	14.1	**42 676 650**	55 634 440
Finance costs	12	**(40 633)**	(39 746)
Finance income	12	**11 279 704**	7 703 583
Taxation paid	14.2	**(11 579 055)**	(11 645 789)
Cash flow from investing activities		**(41 258 813)**	(29 737 192)
Acquisition of property, plant and equipment		**(41 258 813)**	(29 737 192)
Cash flow from financing activities		**199 073 500**	-
Proceeds from share issue	7	**199 073 500**	-
Increase in cash and cash equivalents		**200 151 353**	21 915 296
Cash and cash equivalents at beginning of the year	14.3	**154 848 128**	132 932 832
Cash and cash equivalents at end of the year	14.3	**354 999 481**	154 848 128

Statement of comparison of budget and actual amounts
for the year ended 30 June 2014

2014	NOTES	ACTUAL R	APPROVED BUDGET R	FINAL BUDGET R	FAVOURABLE / UNFAVOURABLE VARIANCE R	VARIANCE %
STATEMENT OF FINANCIAL PERFORMANCE	**20.2**					
Revenue	i	171 311 617	162 141 330	160 441 331	10 870 286	7%
Other income		3 589 979	3 684 767	3 684 767	(94 788)	-3%
Less: Direct costs	ii	37 931 058	35 706 686	35 706 686	(2 224 372)	-6%
Cost of sales		23 123 312	21 088 314	21 088 314	(2 034 998)	-10%
Direct personnel		11 197 336	10 688 830	10 688 830	(508 506)	-5%
Parking costs		2 853 339	3 149 542	3 149 542	296 203	9%
Equipment hire		757 071	780 000	780 000	22 929	3%
Add: Finance income	iii	11 279 704	14 074 481	7 697 897	3 581 807	47%
Less: Indirect expenditure	iv	122 440 991	130 252 667	133 384 928	10 943 937	8%
Personnel costs		42 163 835	41 921 820	41 921 820	(242 015)	-1%
Operations general		2 036 280	2 562 600	2 562 600	526 320	21%
Utility services		15 196 709	18 120 000	18 120 000	2 923 291	16%
Maintenance		5 954 884	6 920 400	6 920 400	965 516	14%
Building costs		11 666 967	12 875 400	12 875 400	1 208 433	9%
Office costs		4 743 067	3 967 776	3 967 776	(775 291)	-20%
Computer expenses		4 951 413	5 197 800	5 197 800	246 387	5%
Advisors		5 618 370	2 978 714	5 478 714	(139 656)	-3%
Travel and entertainment		1 458 541	1 605 482	1 605 482	146 941	9%
Marketing and corporate communications		4 883 239	5 927 772	6 560 033	1 676 794	26%
Catering materials		2 910 979	2 587 080	2 587 080	(323 899)	-13%
Bad debts		(58 492)	265 000	265 000	323 492	122%
Depreciation		20 874 566	25 322 823	25 322 823	4 448 257	18%
Finance costs		40 633	-	-	(40 633)	
Net profit for the period	v	25 809 251	13 941 225	2 732 381	23 076 870	845%

Capital expenditure for the year ended 30 June 2014

CATEGORY						
Building enhancements		6 891 267	9 150 000	13 330 718	6 439 451	48%
IT & electronic infrastructure		10 432 301	10 895 000	13 278 393	2 846 092	21%
Kitchen enhancements		851 947	880 000	880 000	28 053	3%
Catering furniture and equipment		2 130 363	4 940 000	4 440 000	2 309 637	52%
Other capex items		20 963 587	219 800 000	16 011 954	(4 951 633)	-31%
Total capital expenditure	20.3	41 269 465	245 665 000	47 941 065	6 671 600	-14%

Notes to the financial statements
for the year ended 30 June 2014

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

GRAP Standards issued but not yet effective

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

GRAP 105 Transfers of functions between entities under common control	This standard prescribes the establishment of accounting principles for the acquirer and transferer in a transfer of functions between entities under common control. Since the entity has no entities under common control, no significant impact on the financial statement of the entity is expected. The standard does not yet have an effective date.
GRAP 106 Transfers of functions between entities not under common control	This standard prescribes the establishment of accounting principles for the acquirer in a transfer of functions between entities not under common control. Since the entity has no entities not under common control, no significant impact on the financial statement of the entity is expected. The standard does not yet have an effective date.
GRAP 107 Mergers	This standard prescribes the establishment of accounting principles for the combined entity and combining entities in a merger. Since the entity has no combined entity and combining entities in a merger, no significant impact on the financial statement of the entity is expected. The standard does not yet have an effective date.

Standards not applicable to the entity include:

GRAP 18	Segment Reporting (Not required by the Accounting Standards Board)
GRAP 103	Heritage Assets (The entity does not hold any heritage assets)
GRAP 105	Transfers of functions between entities under common control (There are no entities under common control)
GRAP 106	Transfers of functions between entities not under common control (There are no entities not under common control)
GRAP 107	Mergers (The entity does not hold any mergers)

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

The entity applied the principles established in the following standards of GRAP that have been issued but have not yet been in effect, in developing appropriate accounting policies dealing with the following transactions, but has not early adopted these standards:

GRAP 105	Transfers of functions between entities under common control
GRAP 106	Transfers of functions between entities not under common control
GRAP 107	Mergers

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

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

Operating lease commitments – Entity as lessor

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

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

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations.

The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of trade receivables from exchange transactions

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

Property, plant and equipment

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

Provisions and contingent liabilities

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

1.2. Property, plant and equipment

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

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

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

Notes to the financial statements (continued)

1.2. Property, plant and equipment (continued)

	2014 %	2013 %
Plant and equipment	**8.33 - 33.33**	8.33 - 33.33
Motor vehicles	**16.67 - 25.00**	16.67 - 25.00
Furniture and fittings	**6.67 - 20.00**	6.67 - 20.00
Kitchen and catering	**10.00 - 50.00**	10.00 - 50.00
Office equipment	**10.00 - 50.00**	10.00 - 50.00
Computer equipment	**16.67 - 50.00**	16.67 - 50.00
Computer software	**33.33 - 50.00**	33.33 - 50.00
Escalators and elevators	**5.56 - 10.00**	5.56 - 10.00
Carpets / laminated flooring	**12.50 - 16.67**	12.50 - 16.67
Curtains / blinds	**10.00 - 20.00**	10.00 - 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 - 20.00**	6.67 - 20.00
Cold rooms	**5.88 - 16.67**	5.88 - 16.67
Air-conditioning system	**5.56 - 50.00**	5.56 - 50.00
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	**2.5 - 50.00**	2.5 - 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 in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

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

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

1.3. Impairment of assets

1.3.1. Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

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

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

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

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

Composition of estimates of future cash flows

Estimates of future cash flows include:

- Projections of cash inflows from the continuing use of the asset;
- Projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; 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.

Notes to the financial statements (continued)

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

Any impairment loss of a revalued 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 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 (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.3.2. Impairment of non-cash-generating assets

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

Non-cash-generating assets are assets other than cash-generating assets.

Identification

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

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

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

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.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

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 assets revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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.

1.4. Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1.5. Intangible assets

An intangible asset is defined as an identifiable non-monetary asset without physical substance, held for use in the production or supply of goods or services, for rental to others or for administration purposes.

Notes to the financial statements (continued)

1.6. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the weighted average method and includes transport and handling costs. The weighted average cost is determined using a weighted average cost for the month based on the most recent month's purchases. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

1.7. Current tax

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to items recognised in equity, in which case it is recognised in equity.

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.

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. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred taxation is charged to profit or loss except to the extent that it relates to a transaction that is recognised in equity, in which case it is recognised in equity, or a business combination that is an acquisition, in which case it is recognised as an adjustment to goodwill. The effect on deferred taxation of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited to equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the tax benefit will be realised.

1.8. 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.

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.

1.9.1. Revenue from exchange transactions

Revenue from exchange transactions relate to income earned from venue rental and other services. Commission income is recognised for the rendering of services as an agent in accordance with the contract of hire agreements.

1.10. Financial instruments

The Company classifies financial assets into the following categories: at fair value through profit or loss, loans and receivables, and available for sale. 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. Derivatives are classified as held for trading unless they are designated as hedges. 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 greater than 12 months after the reporting date. These are classified as non-current assets. Financial instruments at amortised cost are classified as trade and other receivables in the statement of financial position.

1.10.1 Receivables from exchange transactions

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

1.10.2. 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 three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.10.3. 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.

1.10.4. Payables from exchange transactions

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10.5. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk) credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

i) Interest rate risk
The Company's income and operating cash flows are substantially independent of changes in market interest rates.

ii) Credit risk
Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers, who are both internationally and nationally dispersed.

The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any one financial institution, and cash transactions are limited to creditworthy institutions.

iii) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

iv) Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the financial statements (continued)

1.10.6. 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. Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The accruals for employee entitlements to salaries, performance 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.

1.13. Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Municipal Systems Act, 2000 (Act No. 32 of 2000), and the Public Office Bearers Act, 1998 (Act No. 20 of 1998), or is in contravention of the municipal entity supply chain management policy. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.14. 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.

1.15. Comparative information

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results, as set out in the affected notes to the financial statements. Budgeted amounts have been included in the annual financial statements for the current financial year only.

1.16. Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed on the next page.

1.16.1. Asset useful lives and residual values

Plant and equipment is depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and vary depending on a number of factors. In reassessing the assets useful lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

1.17. Investment

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

1.17.1. Finance income

Finance income comprises interest income. Interest income is recognised in profit or loss on a time proportion basis, taking account of the principal outstanding and the effective interest rate over the period maturity, when it is probable that such income will accrue to the entity.

1.17.2. Finance costs

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

1.18. Commission income

When the entity acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the entity.

2. Property, plant and equipment

			2014			2013
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Escalators	4 153 097	1 799 692	2 353 405	4 153 097	1 475 610	2 677 487
Elevators	10 431 903	7 641 562	2 790 341	10 400 443	7 087 752	3 312 691
Carpets/laminated flooring	10 369 748	5 501 426	4 868 322	8 953 080	5 793 045	3 160 035
Curtains/blinds	2 719 366	2 340 664	378 702	2 757 601	2 117 299	640 302
Signage	3 790 108	2 332 180	1 457 928	5 779 840	3 816 468	1 963 372
Audiovisual	13 007 534	11 710 963	1 296 571	12 791 490	10 963 915	1 827 575
Fences and gates	1 229 189	871 602	357 587	1 269 369	769 549	499 820
Cold rooms	3 036 730	1 954 526	1 082 204	2 994 117	1 769 169	1 224 948
Air-conditioning system	33 482 957	20 342 868	13 140 089	33 426 076	18 381 843	15 044 233
Sprinkler system	4 891 993	4 818 805	73 188	4 891 993	4 774 726	117 267
Auditorium seating	5 249 772	4 588 484	661 288	5 319 879	4 190 098	1 129 781
Building management system	32 579 417	23 393 798	9 185 619	30 230 171	25 272 847	4 957 324
Building	450 134 864	355 583 541	94 551 323	447 613 866	350 469 909	97 143 957
Plant and equipment	10 568 547	7 468 431	3 100 116	9 531 176	6 861 098	2 670 078
Motor vehicles	1 266 948	1 199 312	67 636	1 250 882	1 102 130	148 752
Furniture and fittings	14 702 687	10 903 215	3 799 472	14 713 107	11 210 571	3 502 536
Kitchen and catering	14 693 826	10 143 213	4 550 613	20 398 578	15 898 379	4 500 199
Office equipment	5 362 256	4 614 051	748 205	4 947 093	3 938 364	1 008 729
Computer equipment	10 792 376	5 768 227	5 024 149	16 876 127	11 589 231	5 286 896
Computer software	3 477 429	1 732 074	1 745 355	4 585 824	3 091 037	1 494 787
Assets in progress*	70 173 350	16 091 344	54 082 006	49 209 763	16 091 344	33 118 419
	706 114 097	500 799 978	205 314 119	692 093 572	506 664 384	185 429 188

**Assets in progress relate to the capitalised costs incurred on the expansion of the convention centre.*

Notes to the financial statements (continued)

2. Property, plant and equipment (continued)

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

2014	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R		R	R	R	R
Escalators	2 677 487	-	-	-	324 082	2 353 405
Elevators	3 312 691	-	31 460	-	553 810	2 790 341
Carpets/laminated flooring	3 160 035	-	2 609 651	-	901 364	4 868 322
Curtains/blinds	640 302	(8 719)	-	5 026	247 855	378 702
Signage	1 963 372	(1 933)	-	-	503 511	1 457 928
Audiovisual	1 827 575	-	222 255	-	753 259	1 296 571
Fences and gates	499 820	-	-	-	142 233	357 587
Cold rooms	1 224 948	-	123 186	22 875	243 055	1 082 204
Air-conditioning system	15 044 233	-	56 880	-	1 961 024	13 140 089
Sprinkler system	117 267	-	-	-	44 079	73 188
Auditorium seating	1 129 781	-	-	-	468 493	661 288
Building management system	4 957 324	-	6 101 595	447 436	1 425 864	9 185 619
Building	97 143 957	-	2 698 252	-	5 290 886	94 551 323
Plant and equipment	2 670 078	(4 552)	1 154 452	23 197	696 665	3 100 116
Motor vehicles	148 752	-	16 066	-	97 182	67 636
Furniture and fittings	3 502 536	-	1 465 484	-	1 168 548	3 799 472
Kitchen and catering	4 500 199	-	1 709 392	465	1 658 513	4 550 613
Office equipment	1 008 729	-	415 163	-	675 687	748 205
Computer equipment	5 286 896	4 552	2 586 373	317	2 853 355	5 024 149
Computer software	1 494 787	-	1 115 669	-	865 101	1 745 355
Assets in progress*	33 118 419	-	20 963 587	-	-	54 082 006
	185 429 188	(10 652)	41 269 465	499 316	20 874 566	205 314 119

**Assets in progress relate to the capitalised costs incurred on the expansion of the convention centre*

2013	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R		R	R	R	R
Escalators	2 220 381	-	735 377	-	278 271	2 677 487
Elevators	3 588 174	-	433 292	-	708 775	3 312 691
Carpets/laminated flooring	1 679 845	-	2 067 055	-	586 865	3 160 035
Curtains/blinds	873 844	-	15 520	-	249 062	640 302
Signage	1 914 166	-	562 251	2 586	510 459	1 963 372
Audiovisual	2 306 093	-	581 648	-	1 060 166	1 827 575
Fences and gates	665 911	-	2 359	9 165	159 285	499 820
Cold rooms	1 141 793	-	292 071	-	208 916	1 224 948
Air-conditioning system	17 014 708	-	47 126	26 379	1 991 222	15 044 233
Sprinkler system	162 570	-	-	-	45 303	117 267
Auditorium seating	1 368 594	-	225 600	18 293	446 120	1 129 781
Building management system	6 372 259	-	132 000	-	1 546 935	4 957 324
Building	99 760 047	-	3 136 056	-	5 752 146	97 143 957
Plant and equipment	1 695 008	-	1 528 855	-	553 785	2 670 078
Motor vehicles	185 626	-	6 667	-	43 541	148 752
Furniture and fittings	3 556 038	-	1 018 000	-	1 071 502	3 502 536
Kitchen and catering	4 753 272	-	1 562 338	65 000	1 750 411	4 500 199
Office equipment	1 563 470	-	229 096	-	783 837	1 008 729
Computer equipment	3 435 813	-	3 849 476	16 411	1 981 982	5 286 896
Computer software	740 978	-	1 468 606	-	714 797	1 494 787
Assets in progress*	21 274 620	-	11 843 799	-	-	33 118 419
	176 273 210	-	29 737 192	137 834	20 443 380	185 429 188

Cost (Fully depreciated property, plant and equipment)

	2014 R	2013 R
Audiovisual	**4 891 570**	2 084 615
Auditorium seating	**105 120**	70 106
Building	**3 144 382**	473 280
Building management system	**15 965 278**	17 714 627
Carpets/laminated flooring	**3 624 473**	4 136 515
Curtains/blinds	**1 470 600**	1 488 053
Fences and gates	**310 756**	42 110
Signage	**38 242**	2 012 429
Sprinkler system	**4 626 326**	4 626 326
Air-conditioning system	**214 521**	29 393
Escalators	**588 486**	588 486
Elevators	**1 993 430**	1 993 430
Motor vehicles	**1 119 721**	934 684
Computer software	**908 688**	2 327 574
Computer equipment	**2 430 089**	8 887 043
Office equipment	**3 190 419**	2 348 001
Furniture and fittings	**6 508 212**	7 697 132
Artwork	**1 321 095**	1 321 095
Plant and equipment	**4 211 765**	4 146 623
Kitchen and catering	**5 355 331**	11 474 347
	62 018 504	74 395 869

Impairment consideration

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

During the review, management has confirmed the following:

Cash generating unit comprises:

	2014 R	2013 R
Escalators	**2 353 405**	2 677 487
Elevators	**2 790 341**	3 312 691
Cold rooms	**1 082 204**	1 224 948
Air-conditioning system	**13 140 089**	15 044 233
Auditorium seating	**661 288**	1 129 781
Building	**94 551 323**	97 143 957
Kitchen and catering	**4 550 613**	4 500 199
Total carrying value	**119 129 263**	125 033 296

(a) The main purpose of establishing the centre was to generate spin-off returns for the region.

(b) Due to the restrictions imposed on the use of the facility and site no active market exists within which the value of the centre can be determined through an arm's length transaction between a willing buyer and a willing seller, and as such the value in use of the centre has been used to determine whether the building's carrying value may not be recoverable.

(c) Since inception, all initial targets for the region (spin-offs) and the operation of the convention centre have consistently been exceeded and are forecast to maintain this level of performance for the foreseeable future.

(d) Despite this, the value in use of the centre can only be attributed to the present value of the future cash flows generated within the centre itself, and excludes any value which it generates for other entities or business sectors.

(e) No value could be attached to the centre at the end of its useful life due to its disposal being highly unlikely with no reliable basis for measuring the disposal value.

(f) A discount rate of 13.9% (2013: 10.7%) was used which was calculated using the risk free rate of the R186 of 8.4% adjusted by 5.5% for uncertainty regarding timing and extent of certain of the cash flows.

Based on the calculation of value in use, the fair value of R149 million was determined. The current carrying value of R119 129 263 was established for the building at date of calculation. This has resulted in a nil reversal of impairment.

3. Investment in subsidiary

The Company has an investment in the following Company:

	2014 R	2013 R
Unlisted		
Cape Town International Convention Centre Operating Company SOC Ltd (OPCO)	**100**	100

The agency agreement between Cape Town International Convention Centre Company SOC Ltd (CONVENCO) and Cape Town International Convention Centre Operating Company SOC Ltd (OPCO) terminated on 30 June 2010. OPCO does not reflect any trading activities in its financial results and will be deregistered. The Company is dormant and has a net asset value of R100.

4. Deferred taxation

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

The deferred tax liability is made up as follows:

	2014 R	2013 R
At beginning of year	**4 639 770**	6 915 462
Temporary differences	**(2 438 797)**	(2 275 692)
At end of year	**2 200 973**	4 639 770
The balance comprises:		
Capital allowance (non-deductible temporary differences)	**2 200 973**	4 639 770
	2 200 973	4 639 770

5. Inventories

Food	**399 830**	330 203
Beverage	**504 537**	514 140
Consumables	**116 673**	236 252
Chemicals	**47 373**	39 461
	1 068 413	1 120 056

6. Receivables and other receivables from exchange transactions

Trade receivables	**6 077 762**	12 181 436
Less: Provision for impairment of trade receivables	**(1 750 654)**	(2 255 807)
Receivables from exchange transactions - net	**4 327 108**	9 925 629
Prepayments	**1 648 226**	2 340 347
Receiver of Revenue: VAT	**1 057 751**	129 225
Other receivables	**3 174 214**	280 966
	10 207 299	12 676 167
Trade receivables ageing		
Current (0 - 30 days)	**3 241 539**	7 688 199
31 - 60 days	**982 150**	1 750 110
61 - 90 days	**66 537**	73 069
91 - 120 days	**5 811**	30 502
+ 120 days	**1 781 725**	2 639 556
Total	**6 077 762**	12 181 436
Provision for impairment	**1 750 654**	2 255 807
Trade receivables due	**4 327 108**	9 925 629

The carrying amount of trade and other receivables approximates their fair value due to their short-term maturity.
Trade receivables in 120 days are not impaired as there is no history of default from these clients.
The carrying value of these trade receivables is denominated in the following currency: South African rand.

Provision for impairment of trade receivables		
Opening balance	**2 255 807**	2 152 192
Additional provision	**1 750 654**	2 255 807
Unused amounts reversed	**(2 255 807)**	(2 152 192)
Closing balance	**1 750 654**	2 255 807

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

7. Contribution from owners

7.1. Authorised share capital

Opening balance

300 ordinary shares of R1 each (cancelled 26 November 2013)

56 000 "A" ordinary shares of 1c each

14 000 "B" ordinary shares of 1c each

7.2. Conversion of shares

On 26 November 2013:

- All the authorised and issued "A" ordinary shares having a par value of 1c each were converted to "A" ordinary shares having no par or nominal value and
- All the authorised and issued "B" ordinary shares having a par value of 1c each were converted to "B" ordinary shares having no par or nominal value.

7.3. Increase in authorised share capital

On 26 November 2013 the 56 000 authorised "A" ordinary shares of no par value and the 14 000 "B" ordinary shares of no par value in the authorised share capital of the Company were increased (without increasing the number of issued shares) to 10 000 000 authorised "A" ordinary shares having no par value and, authorised 1 000 000 "B" ordinary shares of no par value.

7.4. Closing balance

10 000 000 "A" ordinary shares of no par value

1 000 000 "B" ordinary shares of no par value

On 26th November 2013 the shareholders approved the issue of up to the maximum of 158 067 new "A" ordinary shares to the City of Cape Town and up to a maximum of 79 034 new "A" ordinary shares to the Provincial Government of the Western Cape.

These shares will be issued in tranches on agreed dates.

	2014 R	2013 R
Issued and fully paid ordinary shares	**Number of shares**	**Stated capital**
Opening balance	**56 599**	565 639 701
"A" ordinary shares	**42 599**	426 000 000
"B" ordinary shares	**14 000**	139 639 701
Movements	**56 878**	199 073 500
Share issue - "A" ordinary shares (11 April 2014)	**42 857**	149 999 500
Share issue - "A" ordinary shares (30 May 2014)	**9 347**	32 716 000
Share issue - "A" ordinary shares (25 June 2014)	**4 674**	16 358 000
Closing balance	**113 477**	764 713 201
"A" ordinary shares	**99 477**	625 073 500
"B" ordinary shares	**14 000**	139 639 701

8. Payables and other payables from exchange transactions

	2014 R	2013 R
Trade payables	**12 205 954**	14 949 685
Accruals	**18 213 302**	14 718 946
Sundry payables	**63 469**	399 986
	30 482 725	30 068 617

The carrying amount of trade and other payables approximates their fair value due to short-term maturity.

The carrying value of these trade payables is denominated in the following currency: South African rand	**12 205 954**	14 949 685

9. Provisions

Performance bonus provision		
Opening balance	**2 688 593**	3 067 709
Additional provisions	**3 249 504**	2 688 593
Prior year provision utilised	**(2 688 593)**	(3 067 709)
Closing balance	**3 249 504**	2 688 593

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.

10. Operating profit

Operating profit is stated after:

	2014 R	2013 R
Income		
(Loss)/profit on foreign exchange	**(6 778)**	39 370
Rental income		
Vexicure Proprietary Ltd t/a Westin	**2 662 816**	2 381 472
Expenditure		
Auditors' remuneration - Audit fee	**958 837**	751 146
Bad debts	**(58 493)**	539 967
Depreciation (property, plant and equipment)	**20 874 566**	20 443 380
Repairs and maintenance on property, plant and equipment	**6 390 046**	5 825 672

11. Revenue from exchange transactions

Commissions	**11 247 550**	10 987 445
Parking	**7 358 940**	7 640 880
Sales	**153 255 709**	135 700 474
	171 862 199	154 328 799

Notes to the financial statements (continued)

12. Finance income and costs

	2014 R	2013 R
Finance income (cash and cash equivalents)	11 279 704	7 703 583
Finance cost (finance costs - financial institution)	(40 633)	(39 746)
Net finance income	**11 239 071**	**7 663 837**

13. Taxation

	2014 R	2013 R
South African normal taxation		
Current year	10 571 948	11 121 256
Under provision prior year	118 506	30 992
Deferred taxation (refer note 4)	(2 438 797)	(2 275 692)
Taxation	**8 251 657**	**8 876 556**
Profit before taxation	25 809 251	26 716 046
Tax calculated at 28%	7 226 590	7 480 493
Under provision prior year	118 506	30 992
Deferred Tax (timing differences)	(2 438 797)	(2 275 692)
Expenses not deductible for tax purposes	3 345 358	3 640 763
	8 251 657	**8 876 556**

14. Notes to the cash flow statement

14.1 Cash generated from operations

	2014 R	2013 R
Profit before taxation	25 809 251	26 716 046
Adjustment for:		
Depreciation	20 874 566	20 443 380
Finance income	(11 279 704)	(7 703 583)
Asset write off	499 316	137 834
Finance costs	40 633	39 746
Increase/(decrease) in provision for bonuses	560 911	(379 116)
(Decrease)/increase in provision for impairment of receivables from exchange transactions	(505 153)	103 615
	35 999 820	**39 357 922**
Movements in working capital		
Decrease in inventories	51 643	257 371
Decrease/(increase) in receivables	2 974 021	(6 257 347)
Increase in payables	3 651 166	22 276 494
	42 676 650	**55 634 440**

14.2. Taxation paid

	2014 R	2013 R
Balance at beginning of year	919 621	1 413 162
Taxation charged to income statement	10 690 454	11 152 248
Balance at end of year	(31 020)	(919 621)
	11 579 055	**11 645 789**

14.3. Cash and cash equivalents

	2014 R	2013 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:

	2014 R	2013 R
Current accounts	6 794 413	3 158 377
Call and investment accounts	348 132 176	151 562 251
Petty cash	5 500	5 500
Cash float	61 000	122 000
Cash on hand	6 392	-
Cash and cash equivalents	**354 999 481**	**154 848 128**

The following bank and investment accounts were held by the entity:

	2014 R	2013 R
Nedbank - Current Account (Acc Number: 1232043850)	1 354 623	130 828
Nedbank - Call Account (Acc Number: 03/7881544007/46)	5 358 848	2 742 748
Nedbank - Investment Account (Acc Number: 03/7881544007/000095)	13 463 890	12 748 776
Nedbank - Money Market Fund (Acc Number: (1766000029) 03/7881111917/00002)	39 116 733	
ABSA Bank - Current (Acc Number: 4072900553)	2 871 804	995 915
ABSA Bank - CTICC East - Current (Acc Number: 4072900228)	80 320	40 401
ABSA Bank - Exh Serv - Current (Acc Number: 4072900731)	497 501	91 553
ABSA Bank Treasury (Acc Number: 4073731246)	59 980	57 297
ABSA Bank Treasury (Acc Number : 4073733701)	1 930 185	1 842 384
Absa Bank - Call Deposit (Acc Number: 4074708347)	4 876 473	11 180 959
Absa Bank - Fixed Deposit (Acc Number: 34942428)	-	5 397 485
Stanlib - Corporate Money Market Fund (Acc Number: 000-402-184 (1199539) 551436367)	7 328 184	15 798 193
Stanlib - Corporate Money Market Fund (Acc Number: 000-402-184 (1199539) 552166459)	24 116 007	-
Standard Bank Investment Account (Acc Number: (97212) 476949)	21 381 159	20 280 788
Standard Bank Investment Account (Acc Number: (97212) 478558)	18 292 466	17 359 888
Absa Bank - Investment New 2 (Acc Number: (506009 4072900553) 36999248)	20 644 038	19 598 435
Absa Bank - Investment New 1 (Acc Number: (506009 4072900553) 36753413)	18 582 881	17 637 468
Nedbank - Three Month Deposit (Acc Number: 03/7881544007/000094)	14 560 415	13 806 595
Investec - Corporate Money Market Fund (Acc Number: (462097) 1008645)	17 098 572	15 010 915
Investec - Corporate Money Market Fund (Acc Number: (462097) 1037793)	23 082 211	-
ABSA Bank - Call Deposit (Acc Number: 4083941322)	19 563 850	-
Nedgroup - Money Market Fund - (Acc Number: (1800167964) 8319631)	15 306 332	-
Nedgroup - Corporate Money Market Fund C2 (Acc Number: (800190652) 8220496)	18 102 441	-
Nedgroup - Money Market Fund Class C2 (Acc Number: (800190652) 8330497)	24 118 777	-
Absa Bank - Fixed Deposit (Acc Number: 506009 4072900553 - 38052758)	30 092 877	-
Absa Bank - Money Market Fund (Acc Number: 9295637051)	13 046 024	-

Notes to the financial statements (continued)

15. Expenses by nature

	2014 R	2013 R
Depreciation	20 874 566	20 443 380
Employee related costs (note 17)	40 254 736	34 502 885
Changes in inventories	(51 643)	(257 371)
Raw materials and consumables used	23 237 478	18 741 746
Marketing and advertising costs	5 405 429	4 374 307
Other expenses	72 016 898	62 909 056
Total cost of sales and operating expenses	**161 737 464**	140 714 003

16. Related parties

16.1. Holding company

The Company is controlled by the City of Cape Town, which owns 62.8% of the Company's shares. The remaining shares are held by the Provincial Government of the Western Cape (24.9%) and SunWest International (Pty) Ltd (12.3%). 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 to 20 years. The office tower (Convention Towers) erected on this site reverts to the City of Cape Town should the lease not be renewed.

	2014 R	2013 R
Related party transactions		
Rates and taxes	4 571 149	1 838 834
Electricity	9 773 739	9 144 743
Water	913 246	856 159
Lease P1 Parking (including refuse, sewerage, rates and water)	2 853 339	3 072 017
Y-Waste Solutions CC*	46 438	4 882
Related party balances		
Amounts owing to City of Cape Town	1 294 195	1 299 718
Amounts due by City of Cape Town	-	1 068 017

** Waste management service supplier where the manager's spouse (S. Fourie) is a non executive director and in the service of the State (HoD: Department of Economic Development and Tourism)*

16.2. Subsidiary

The Company has only one subsidiary, the Cape Town International Convention Centre Operating Company SOC Ltd (OPCO). OPCO is in the process of being deregistered. Consolidated financial statements have not been prepared as OPCO is dormant and is not considered material.

	2014 R	2013 R
Director's remuneration		
Non-executive director's remuneration	**445 110**	207 722
CEO		
Basic salary	**1 455 816**	1 408 194
Bonus	**205 314**	161 908
Key management remuneration		
COO		
Basic salary	**-**	707 273
Bonus		-
Operations		
Basic salary	**1 199 063**	1 056 765
Bonus	**175 975**	181 112
Commercial		
Basic salary	**1 120 593**	996 605
Bonus	**164 310**	172 316
Finance		
Basic salary	**1 196 627**	1 074 190
Bonus	**175 083**	187 392

17. Employee-related costs

	2014 R	2013 R
Salaries and wages	**29 861 194**	26 095 420
Contributions for UIF, WCA, Medical aid, etc	**2 575 615**	2 375 902
Provident fund	**2 485 478**	2 267 271
Overtime	**750 535**	394 124
Performance bonus	**2 783 859**	2 068 266
Other: staff transport and health and safety costs	**1 798 055**	1 301 902
Total employee-related costs	**40 254 736**	34 502 885

18. Irregular and fruitless and wasteful expenditure

18.1. Fruitless and wasteful expenditure

	2014 R	2013 R
Opening balance	**146 129**	288 361
Fruitless and wasteful expenditure certified as irrecoverable by the board	**-**	(142 232)
Amount recovered	**(146 129)**	-
Closing balance awaiting recovery	**-**	146 129

A monetary loss occurred in 2011 as a result of theft by a previous employee. A portion has been recovered from the employee and the matter has been reported to the South African Police Services.

Notes to the financial statements (continued)

19. Operating leases

19.1. Lessee

2014	1yr	2-5yrs	5yrs+
Future minimum lease payments (ZAR) (incl. VAT)	**2 420 059**	**11 221 976**	**299 350 013**
2013			
Future minimum lease payments (ZAR) (incl. VAT)	2 287 396	10 606 804	302 976 895

Future minimum lease payments for the operating leases relates to the following leases:
1. City of Cape Town - 99 year lease of land, remaining term 86 years 5 months.
2. City of Cape Town - 50 year lease of P1 parking garage, remaining term 37 years 3 months.

19.2. Lessor

The Company receives rental income from Vexicure Proprietary Limited t/a Westin and Redefine Properties Limited, which is a percentage based on turnover.

20. Budget information

20.1. Explanation of variances between approved and final budget amounts

The budget is approved on an accrual basis by nature classification. The approved budget covers the fiscal period from 01 July 2013 to 30 June 2014. 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 finance income due to a delay in the receipt of anticipated funding for the expansion,
- a decrease in parking revenue due to delays of the CTICC East expansion and
- an increase in direct cost in advisors and marketing.

20.2. Explanation of variances greater than 5% and greater than R1 million: Final budget and actual amounts Statement of financial performance

i) Revenue (R10 870 286)
Due to additional revenue gained from secondary revenue sources such as catering and other services.

ii) Cost of sales (R2 034 998)
Due to additional revenue gained from catering revenue.

iii) Finance income (R3 581 807)
Due to steady interest rate earned from favourable cash balances.

iv) Indirect expenditure (R10 943 937)
Substantial savings on indirect expenses achieved through strict budgetary control.
Utility services savings are due to a combination of savings on rates, water and electricity.
Building costs savings are due to tighter control on services of cleaning and security.
Marketing and corporate communications savings as a result of trade fairs and related costs and marketing events.
Depreciation savings are due to the timing of capital expenditure.

v) Net profit for the period (R23 076 870)
Increased revenue, finance income and significant cost savings contributed to the improved performance.

20.3. Explanation of variances greater than 10% and greater than R2 million: Final budget and actual amounts

Capital expenditure

100% of capital expenditure projects were complete and in progress as at year end.

Building enhancements
The unspent capital expenditure budget relates to savings on completed projects and delays in projects in order to maximise venue hire revenue.

IT & electronic infrastructure
The unspent capital expenditure budget relates to savings on completed projects and delays in projects in order to maximise venue hire revenue.

Catering furniture and equipment
The unspent capital expenditure budget relates to savings on completed projects and delays in projects in order to maximise venue hire revenue.

Other capex items
The original approved budget for the CTICC East expansion was R219 million, however due to delays in the project, this budget was adjusted downwards to R16 million. An accrual was raised at year end due to a close out of certain work stages of this project.

20.4. 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.

Revenue per the statement of financial performance	171 862 199
Other income per statement of financial performance	4 404 812
	176 267 011
Income included in expenses in statement of comparison of budget and actual	(1 365 415)
Revenue per the statement of comparison to budget	171 311 617
Other income per statement of comparison to budget	3 589 979
	174 901 596

Cost of sales and operating expenses

Cost of sales per the statement of financial performance	23 289 121
Expenses per the statement of financial performance	138 407 710
	161 696 831
Income included in expenses in statement of comparison of budget and actual	(1 365 415)
Finance costs included in indirect expenditure	40 633
Direct costs per the statement of comparison to budget	37 931 058
Indirect costs per statement of comparison to budget	122 440 991
	160 372 049

21. Financial instruments

21.1. Risk management

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and Great British Pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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.

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.

	2014 R	2013 R
Cash and cash equivalents	**354 999 481**	154 848 128
Increase/decrease in interest rates	**1%**	1%
Net surplus (post-tax)	**2 555 996**	1 114 907

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 whom have not defaulted in the past.

Financial assets, which potentially subject the entity to credit risk consist principally of cash and cash equivalents and trade and other receivables.

The Company's cash and cash equivalents are placed with high credit quality financial institutions.

Credit risk with respect to trade receivables is limited due to the credit approval processes.

Credit quality of trade receivables

The following represents the credit quality of the trade receivables:

Key accounts customers	**3 541 815**	9 483 504
Other accounts customers	**785 293**	442 125
High risk customers	**1 750 654**	2 255 807
	6 077 762	12 181 436

The Company believes that no further impairment is necessary on trade receivables as reflected in note 6.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that adequate funds are available to meet its expected and unexpected financial commitments.

The following table provides details of the Company's remaining contractual liability for its financial liabilities.

	LESS THAN 1 MONTH R	BETWEEN 1 AND 3 MONTHS R	TOTAL R
2014			
Client deposits	**28 308 347**	-	**28 308 347**
Payables and other payables from exchange transactions	**11 815 754**	**18 666 971**	**30 482 725**
	40 124 101	**18 666 971**	**58 791 072**
2013			
Client deposits	25 071 289	-	25 071 289
Payables and other payables from exchange transactions	14 193 824	15 874 793	30 068 617
	39 265 113	15 874 793	55 139 906

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and payables and other payables from exchange transactions, as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity, shown in the statement of financial position, plus net debt.

The gearing ratios at 30 June 2014 and at 30 June 2013 were as follows:

	2014 R	2013 R
Payables and other payables from exchange transactions	**30 482 725**	30 068 617
Less: Cash and cash equivalents	**(354 999 481)**	(154 848 128)
Net cash	**324 516 756**	124 779 511
Total equity	**182 800 087**	165 906 238*
Total capital	**507 316 843**	290 685 749
Gearing ratio	**64%**	43%

** The 2013 figure has been amended due to a calculation error in the prior year*

Notes to the financial statements (continued)

21.2. Financial instruments by category

The accounting policies for financial instruments have been applied below:

2014 **Assets as per financial position**	**LOANS AND RECEIVABLES** **R**
Receivables and other receivables from exchange transactions	**7 501 322**
Cash and cash equivalents	**354 999 481**

Liabilities per financial position	**OTHER FINANCIAL LIABILITIES** **R**
Payables and other payables from exchange transactions	**30 482 725**
Client deposits	**28 308 347**

2013 Assets as per financial position	LOANS AND RECEIVABLES R
Receivables and other receivables from exchange transactions	10 206 595
Cash and cash equivalents	154 848 128

Liabilities per financial position	OTHER FINANCIAL LIABILITIES R
Payables and other payables from exchange transactions	30 068 617
Client deposits	25 071 289

22. Supply chain management regulations

22.1. Deviations

In terms of section 36 of the Municipal Supply Chain Management Regulations and the CTICC Supply Chain Management Policy, the CEO may ratify any minor breaches of the procurement process.

2014
Total deviations for the year amounted to R18 797 646

Listed below are material deviations:

Incident	R
Exceptional/Impractical cases	**2 481 852**
Sole/Single provider	**2 224 430**
Emergency situation	**-**
Minor breaches	**14 091 364**
	18 797 646

2013
Total deviations for the year amounted to R11 390 273

Listed below are material deviations:

Incident	R
Exceptional/Impractical cases	2 553 757
Sole/Single provider	1 387 495
Emergency situation	512 049
Minor breaches	6 936 972
	11 390 273

22.2. According to section 45 of the Municipality Supply Chain Management Policy; disclosure needs to be given of awards to close family members of persons in the service of the state, in compliance with the provisions of CTICC's Supply Chain Management Policy.

Appointment of food waste management services was awarded to Y-Waste Solutions CC (non VAT vendor). The manager's spouse (S. Fourie) is in service of the state (HoD: Department of Economic Development and Tourism) and a non executive director of the Company. The amount of the award was 2013: R4 882.50 and 2014: R46 438.00.

Appointment of photography services was awarded to Eric Miller Photography. The manager's spouse (Dr. L. Platzky) is in service of the state (Deputy Director-General: Strategic Programmes WC Government Department of the Premier). The amount of the award was 2014: R22 800.00 (incl. VAT).

Tender CTICC024/2014: Appointment of upgrade P1 parkade renovation was awarded to Exeo Khokela Civil Engineering (Pty) Ltd. The director's child (T. Meyer) is in service of the state (Educator: Western Cape Education Department). The amount of the award was 2014: No payment has been made for the 2014 financial year.

Appointment of banking services was awarded to ABSA Bank Ltd. The director's spouse (T. A. Manuel) is in service of the state (Minister in the Presidency: National Planning Commission).

23. Events subsequent to year end

The directors are unaware of any events after the reporting date that would materially alter the amounts or disclosure in these annual financial statements. However, Convenco and the City of Cape Town are currently in negotiations regarding the development of a second basement under the proposed CTICC expansion for the City's planned adjacent tower development. Convenco is to act as Development Manager for the City. The City will cover the cost and own this portion of the development.

24. Capital commitments

	2014 R	2013 R
Commitments in respect of capital expenditure		
Category		
Building enhancements	**4 930 166**	523 009
IT & electronic infrastructure	**310 147**	2 258 276
Catering furniture and equipment	**516 819**	-
Other capex items	**35 213 181**	-
Total capital commitments	**40 970 313**	2 781 285

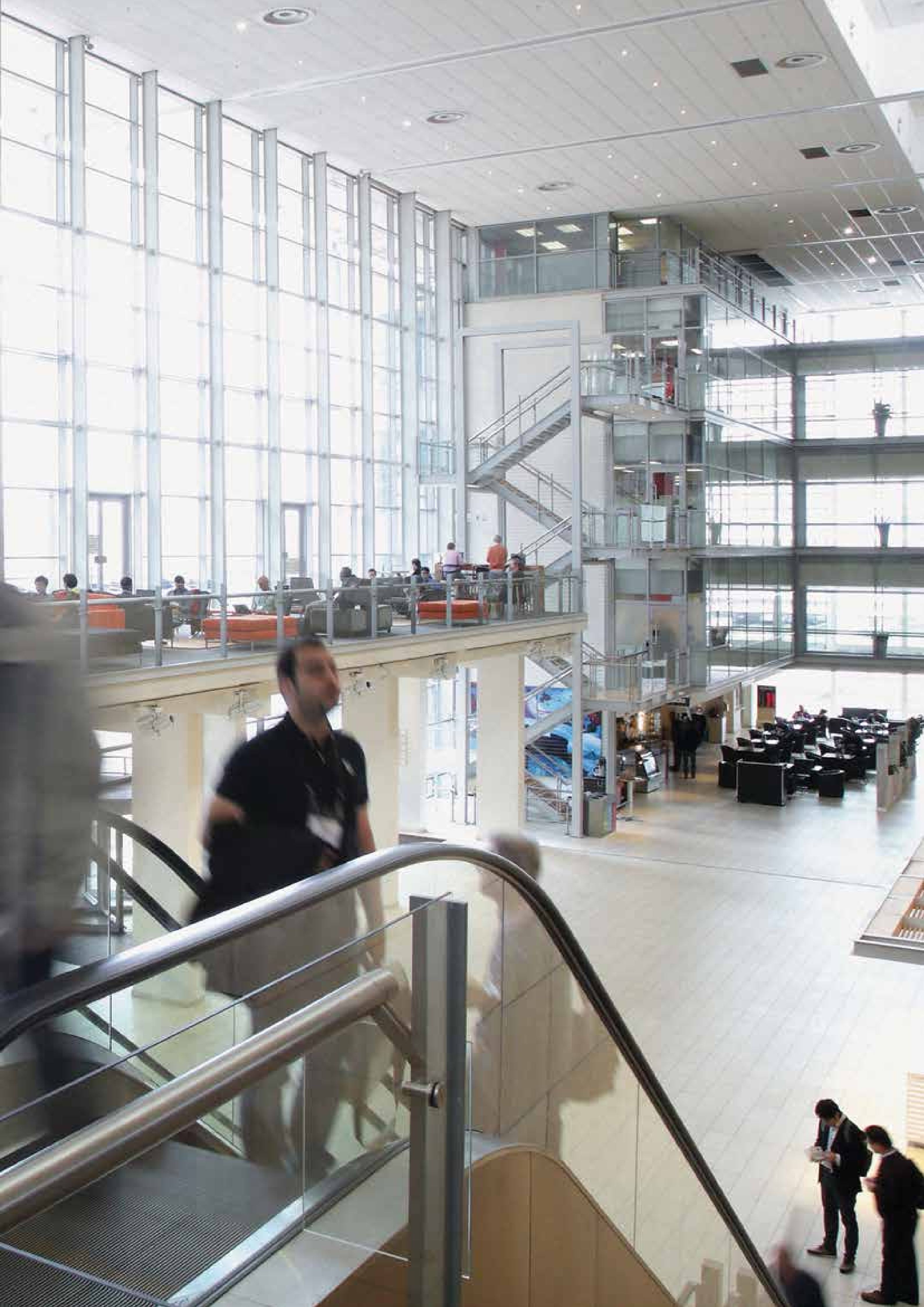
The quantification of the capital commitments note has been redone for 2013 in line with the process followed for 2014. No capital commitments were presented in 2013. The new process followed has identified that 2013 should reflect capital commitments of R2.7 million. The disclosure for 2013 has been represented.

Detailed income statement
for the year ended 30 June 2014

	2014 R	2013 R
Gross revenue from exchange transactions	**171 862 199**	154 328 799
Commissions	11 247 550	10 987 445
Parking	7 358 940	7 640 880
Sales	153 255 709	135 700 474
Cost of sales	**(23 289 121)**	(18 999 117)
Opening stock	1 120 056	1 377 427
Purchases	23 237 478	18 741 746
Closing stock	(1 068 413)	(1 120 056)
Gross profit	**148 573 078**	135 329 682
Other income	**15 684 516**	13 101 250
Finance income	11 279 704	7 703 583
Profit on foreign exchange	-	39 370
Proceeds received from insurance	85 813	176 676
Bad debts	58 493	-
Sundry income	4 260 506	5 181 621
Total income	**164 257 594**	148 430 932
Expenditure (refer to page 136)	**(138 448 343)**	(121 714 886)
Profit for the period before taxation	**25 809 251**	26 716 046

Detailed income statement (continued)

	2014 R	2013 R
Expenditure		
Asset write off	499 316	137 834
Auditors' remuneration	958 837	751 146
Bad debts (including the movement for provision on impairment of trade receivables)	-	539 967
Bank charges	1 013 539	512 940
Catering materials	3 668 051	3 269 720
Cleaning	4 910 446	4 595 086
Computer expenses	4 951 416	4 852 752
Contract labour	11 544 415	10 334 989
Consulting fees	2 821 244	2 239 740
Depreciation	20 874 566	20 443 380
Directors' remuneration	445 110	207 722
Electricity and water	10 686 985	10 000 902
Entertainment	185 536	198 208
Fines and penalties	2 201	1 040
General expenses	40 883	38 543
Hire of equipment	794 864	787 578
Insurance	1 126 390	1 038 646
Finance costs	40 633	39 746
Legal expenses	2 797 126	1 120 194
Loss on foreign exchange	6 778	-
Motor vehicle expenses	28 633	35 637
Marketing and advertising costs	5 405 429	4 374 307
Operational costs	1 717 645	1 556 077
Postage	2 342	21 847
Printing and stationery	259 108	278 727
Rates and refuse	4 571 149	1 838 834
Rent	-	106 809
Rental for parking	2 853 339	3 072 017
Repairs and maintenance	6 390 046	5 825 672
Employee related costs (note 17)	40 254 736	34 502 885
Security	5 377 503	4 946 131
Staff welfare	773 433	855 298
Subscriptions	277 553	238 875
Telephone and fax	999 388	969 114
Training	925 332	1 053 471
Travel - local	383 379	240 419
Travel - overseas	860 992	688 633
Total expenditure	**138 448 343**	**121 714 886**



GRI G3.1 Content Index

Limited Assurance

EY provided limited assurance, in accordance with the International Standard on Assurance Engagements (ISAE) 3000: Assurance engagements other than audits or reviews of historical financial information, over the CTICC's self-declared GRI B+ application level. The limited assurance statement can be found on the CTICC website.

Legend

✓ Material, fully reported ▲ Material, partially reported IFC - Inside Front Cover

Item		Level of reporting	Location of disclosure
1.	**Strategy and Analysis**		
1.1	Statement from the most senior decision-maker of the organisation.	✓	6, 9-10
1.2	Description of key impacts, risks, and opportunities.	▲	This profile disclosure is partially reported because the level of detail required on impacts, risks and opportunities by the GRI is not required by the CTICC's stakeholders. However, the CTICC realises its responsibility to be a leader in sustainability and as such has highlighted key sustainability impacts, risks and opportunities on the following pages: 4, 5, 19, 78, 80-82.
2.	**Organisational Profile**		
2.1.	Name of the organisation.	✓	13
2.2.	Primary brands, products, and/or services.	✓	14
2.3.	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	✓	13, IFC
2.4.	Location of organisation's headquarters.	✓	Cape Town
2.5.	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	✓	South Africa only
2.6.	Nature of ownership and legal form.	✓	13
2.7.	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	✓	14, 26, 29, 86
2.8.	Scale of the reporting organisation.	✓	13, 18, 65, 104
2.9.	Significant changes during the reporting period regarding size, structure, or ownership.	✓	IFC, 13
2.10.	Awards received in the reporting period.	✓	33
3.	**Report Parameters**		
3.1.	Reporting period (e.g., fiscal/calendar year) for information provided.	✓	IFC
3.2.	Date of most recent previous report (if any).	✓	IFC
3.3.	Reporting cycle (annual, biennial, etc.)	✓	IFC
3.4.	Contact point for questions regarding the report or its contents.	✓	IFC
3.5.	Process for defining report content.	▲	This indicator is partially disclosed as the prioritisation of topics did not change significantly from the previous year. A workshop was held to identify and prioritise the topics within the report and these recommendations have been carried through. Additional information can be found on the inside front cover of this report.
3.6.	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	✓	IFC

GRI G3.1 Content index (continued)

3.	**Report Parameters (continued)**		
3.7.	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	✓	IFC
3.8.	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisation.	✓	IFC
3.9.	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	✓	Performance data for this report was collected through existing systems such as utility accounts and meter readings, with additional data gathered via standard business practices and organisational internal statistical information. Internal systems were adapted to reflect the GRI indicator requirements and to align with international standards of best practice.
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	✓	IFC
3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	✓	There were no significant changes since the previous report.
3.12.	Table identifying the location of the Standard Disclosures in the report.	✓	139-142
3.13.	Policy and current practice with regard to seeking external assurance for the report.	✓	IFC, 139
4.	**Governance, Commitments, and Engagement**		
4.1.	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	✓	75-79
4.2.	Indicate whether the Chair of the highest governance body is also an executive officer.	✓	75
4.3.	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	✓	75-77
4.4.	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	✓	67, 75, 84-86
4.5.	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	▲	This profile disclosure is partially disclosed as compensation for governance bodies, senior managers and executives is based on individual KPI evaluations, the detail of which cannot be disclosed in the report. Executive directors' compensation is linked to performance and details can be found on pages 75, 78.
4.6.	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	✓	78, 82, 83
4.7.	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	✓	78
4.8.	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	✓	14, 83
4.9.	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	✓	77-79
4.10.	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	✓	The board of directors is evaluated through a self-evaluation process, the outcome of which is considered in detail by the Nominations Committee. The Nominations Committee reports to the board on the outcome of the evaluation process and the report is thereafter submitted to the City of Cape Town. Additional disclosure in this regard can be found on page 78.
4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	✓	80
4.12.	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	✓	IFC, 33, 43, 59, 75, 83, 143

GRI G3.1 Content index (continued)

4.	Governance, Commitments, and Engagement (continued)		
4.13.	Memberships in associations (such as industry associations) and/or national/international advocacy organisation in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	▲	This profile disclosure is partially disclosed as the level of detail required by the GRI on membership involvement is not required by the CTICC's stakeholders. However, the CTICC's membership in organisations is partially disclosed on page 33 and additional involvement is highlighted on page 29.
4.14.	List of stakeholder groups engaged by the organisation.	✓	84
4.15.	Basis for identification and selection of stakeholders with whom to engage.	✓	84
4.16.	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	✓	84-86
4.17.	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	✓	86
	Economic		
DMA EC	Disclosure on Management Approach EC	✓	26-41
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	✓	105, 127, 124
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	✓	The applicable legislative and statutory frameworks (Municipal Financial Management Act, etc.) influence the procurement decisions as taken by CTICC. Local refers to suppliers located within the national boundaries of South Africa. The proportion of spending on locally-based suppliers is disclosed on page 33.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	▲	67
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	✓	4, 5, 6, 9-10, 35-41
	Environmental		
DMA EN	Disclosure on Management Approach EN	✓	49-59
EN3	Direct energy consumption by primary energy source.	✓	51
EN4	Indirect energy consumption by primary source.	✓	The CTICC's electricity is supplied by the national grid, which comprises of both renewable and non-renewable sources. Details of the total energy consumption can be found on pages 50 - 51.
EN5	Energy saved due to conservation and efficiency improvements.	✓	50-52
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	▲	51, 52, 58
EN8	Total water withdrawal by source.	✓	56
EN16	Total direct and indirect greenhouse gas emissions by weight.	▲	51
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	▲	51, 52, 58
EN22	Total weight of waste by type and disposal method.	✓	53-55
EN23	Total number and volume of significant spills.	✓	No significant spills took place in the year under review.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	✓	58
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	▲	51

GRI G3.1 Content index (continued)

	Social: Labour Practices and Decent Work		
DMA LA	Disclosure on Management Approach LA	✓	65-73
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	✓	65, 66
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	▲	65
LA4	Percentage of employees covered by collective bargaining agreements.	✓	67
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	▲	73
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	✓	71
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	▲	30, 71
LA10	Average hours of training per year per employee by gender, and by employee category.	✓	68-69, 72
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	✓	70
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	✓	66, 76-77
	Social: Human Rights		
DMA HR	Disclosure on Management Approach HR	✓	73
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	✓	73, 83
HR4	Total number of incidents of discrimination and corrective actions taken.	✓	73, 67
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	✓	67
	Social: Society		
DMA SO	Disclosure on Management Approach SO	✓	78-79, 83
SO4	Actions taken in response to incidents of corruption.	✓	73, 83
	Social: Product Responsibility		
DMA PR	Disclosure on Management Approach PR	✓	47, 79
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	✓	19, 47, 84, 86
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	▲	79, 83

United Nations Global Compact

Issue Areas		Principle	Description
Human Rights	65-73	Principle 1	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.
	73	Principle 2	Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.
Labour	67	Principle 3	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	73	Principle 4	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour.
	73	Principle 5	Principle 5 – Businesses should uphold the effective abolition of child labour.
	67	Principle 6	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	49-59	Principle 7	Principle 7 – Businesses should support a precautionary approach to environmental challenges.
	50-58	Principle 8	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.
	52	Principle 9	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	73, 79, 83	Principle 10	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.


DOCK ROAD
Waterfront
Cape Town
N1
Paarl
Bellville


WESTIN
International Convention Centre
N2
Cape Town
International
Somerset West
(M3) Muizenberg
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