

# DRIVING THE KNOWLEDGE ECONOMY

ECONOMY



INFRASTRUCTURE



EDUCATION



INNOVATION



2015 INTEGRATED ANNUAL REPORT

Cape Town International Convention Centre



# DRIVING THE KNOWLEDGE ECONOMY

*The term “knowledge economy” is used to describe a global emerging economic structure in which economic success, sustainability and competitive advantage is built on the effective utilisation of intangible assets like knowledge, skills, education and innovation.*

Countries and industries across the world now recognise that developing a knowledge economy is key to ensuring and sustaining long-term economic growth. The World Bank recently took this insight a step further and suggested that the development of an effective knowledge economy rests on the following four main pillars:

## An effective economic and institutional regime

that is financially sustainable, well governed, encourages trade and investment and is conducive to the creation, diffusion, and utilisation of knowledge.



## Innovation

by firms, research centres, universities, think tanks, consultants, and all industry stakeholders to allow for the generation, application and adaptation of global knowledge.



## A robust infrastructure

that facilitates the communication, dissemination, and processing of information and technology.



## Educated and skilled people

who are equipped and enabled to create, share, and use knowledge efficiently.



As a world-leading convention centre, the Cape Town International Convention Centre (CTICC) is absolutely invested in the development of such a knowledge economy for Cape Town, the Western Cape and South Africa as a whole. Our focus on helping to drive the development of this knowledge economy has been a significant contributing factor to our centre's success, with more than 450 of the over 5 000 events we have hosted over the past 12 years being international association conferences across a broad spectrum of sectors and industries - all of which align closely to the City of Cape Town's and the Western Cape Government's economic growth strategies.

By attracting events like these to the city, the CTICC is making a vital contribution towards driving the knowledge economy.

This 2015 Integrated Annual Report showcases and celebrates the CTICC's position as a knowledge economy driver and, as such, has been structured in line with the above four pillars identified by the World Bank as being vital in underpinning such an economy.



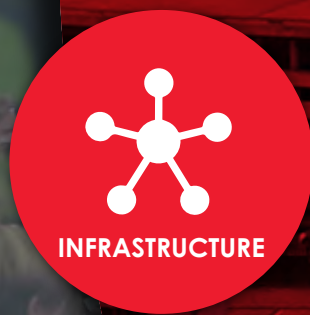




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**"This report outlines, in accordance with the four pillars of the knowledge economy, how the CTICC's core operations for the 2014/15 financial year have contributed to driving and promoting knowledge exchange and collaboration."**





# ABOUT THIS REPORT

*This is our third consecutive Integrated Annual Report, which reflects the period 1 July 2014 to 30 June 2015. This report covers all the significant operations of the CTICC, including existing buildings and related business activities. The report is compiled annually and the most recent previously compiled report was made available at the CTICC's Annual General Meeting on 21 October 2014, containing information from the previous financial year (1 July 2013 to 30 June 2014).*

## SCOPE AND BOUNDARY

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This report focuses solely on the existing buildings and related business activities. The centre is a single entity with clear boundaries, thus determining the reporting scope is a relatively straightforward 'decision tree' process, which is confirmed by the executive management.

The CTICC comprises one building, and thus the boundary of the report is limited to this and does not include CTICC Expansion at present. Marimba Restaurant is within the building structure, but is relatively small and leased out, so it is excluded from this report.

The indicators reported on reflect the economic, environmental and social impacts of the convention centre, while providing the stakeholders with information to assess performance.

The report was compiled through the same process as previous years, using a boundary setting tree. Through this, a few indicators were improved upon, based on materiality to the CTICC and available data.

The Nurture Our World (NOW) team drives the identification and implementation of sustainability projects and principles within the CTICC and is also tasked with monitoring the specific performance indicators for reporting purposes. The NOW team includes representation from the organisation's departments and meets on a monthly basis.

It is expected that the main stakeholders who will use this report will include CTICC shareholders, major clients, staff, Cape Town residents, and other internal and external stakeholders as detailed in the section entitled Stakeholder Engagement Review on page 114 of this report.

The CTICC does not have joint ventures and subsidiaries, based on the boundary of the report defined above. However, it should be noted that the CTICC hosts events organised by various companies and event organisers, and is serviced by various service providers. Whilst the impact of these stakeholders is significant, they do not affect comparability year-on-year.

## DATA MEASUREMENT AND CALCULATIONS

Performance data for the 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. Where specific assumptions are made for calculations, these are stated with the relevant indicator.

Quarterly reporting of relevant indicators is implemented as standard practice at the CTICC, which provides good data quality and serves as a proactive way for the business to address concerns throughout the year. These quarterly reviews are also useful in terms of ensuring ongoing monitoring and effective management of resources.

The following specific measurement techniques were used in the compilation of the report data:

- **Energy consumption:** Data based on utility bills, with conversion from kWh to joule based on standard conversion.
- **Water consumption:** Data based on utility bills, with conversion from kilolitre to metric ton based on standard conversion.
- **Waste consumption:** Data based on reports received from the service providers based on kilogram waste collected for the different categories.
- **Flights:** Data based on reports received from the travel agent, with Greenhouse Gas (GHG) emission calculations based on Carbon Protocol emission factors from kilometer to CO<sub>2</sub>eq.
- **Financial:** Financial data is reported on in Rand value.
- **Other:** Data received from various departments in line with standard business practice.

## MATERIALITY, GRI AND LIMITED ASSURANCE

In preparing this report, we have declared an application level B in terms of the Global Reporting Initiative (GRI G3.1). The Nurture Our World (NOW) team completed the materiality assessment for this report, and was assisted in doing so by an external sustainability consultant. The GRI index can be found on page 165.

Our annual report has been externally assured for the past two years. Having gone through this process and implemented the necessary procedures, we took a decision to not seek external assurance for this year's Integrated Annual Report, although a third party reviewed the data, content and analyses. The report is verified for its application level B through the GRI's application level service.

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.

### Significant changes

The boundary of the report did not change in the past year. The expansion of CTICC to include an additional building, known as CTICC East, has commenced.

There were no re-statements of information or changes of measurements since the previous year.

For more information on this report, contact:

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*Western Cape Funding Fair*



*The CTICC delivered a truly exceptional performance in the 2014/15 financial year, achieving the best economic and financial results in its 12 year history.*

## HIGHLIGHTS

4.3%

Reduction in electricity consumption

4.1%

Reduction in CO<sub>2</sub> emissions

4%

Reduction in water usage

84.3%

Waste diverted from landfill

SAACI

Best Venue Award 2014

MIMA

Best Print Advertising Award

ISO 9001

Quality Management

ISO 14001

Environmental Management

OHASA 18001

Occupational Health & Safety Management

ENVIRONMENTAL SUSTAINABILITY



AWARDS AND ACCREDITATION





# 2014/15

## R197m

Revenue (including other income)  
R16.8m above target of R180.2m

## R52.9m

EBITDA  
(R27.6m above target of R25.3m)

## R60.8m

Profit before tax  
(R41.6m above target of R19.2m)

## R42m

Net profit  
(R28.3m above target of R13.7m)

## 502

Total events

## 80%

Customer Satisfaction Index

## 1.36m

Visitor and delegate days

## R3.4bn

Contribution to National GDP

## R3.1bn

Contribution to Regional GDP

## R263m

BBBEE procurement  
(86.2% of total net spend)

## 8 058

Direct and indirect jobs sustained







*Music training workshop backstage*





***“The CTICC has proven itself a vital contributor to the City of Cape Town’s on-going efforts to realise its vision to build an opportunity city”***

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

# FOREWORDS

## MESSAGE FROM THE EXECUTIVE MAYOR OF CAPE TOWN

***Cape Town’s reputation as a leading global destination for business and leisure tourism has seen steady growth as we have proven our ability to host world-class events, meetings, conferences and exhibitions to cater for a range of industries.***

The very exciting expansion of the CTICC plays a pivotal role in continuing to bring international business to our city and the region at large. It will enable the CTICC to meet the growing demand 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.

This is in line with the City of Cape Town’s strategy to become the events capital of Africa and advance our city to become a melting pot for business and investment.

Over the past 12 years, the efforts and facilities of the CTICC have served to cement our business tourism appeal.

In close collaboration with the city’s many tourism partner organisations, and the events industry as a whole, the CTICC has become a key contributor to Cape Town’s growing international brand.

In the process, the CTICC has proven itself a vital contributor to the City of Cape Town’s on-going efforts to realise its vision to build an opportunity city that seeks to leverage our assets to ensure economic growth and job creation.

The work of the CTICC makes it an invaluable source of socio-economic growth and development, employment creation, skills transfer, enterprise development, and environmental sustainability for the city.

Over the past financial year, the CTICC has delivered a truly phenomenal performance, building further on the solid foundations it has laid and raising its profitability as well as its social, economic, and sustainability contributions to new heights.

My heartfelt congratulations goes to Julie-May Ellingson, her executive team, the Convenco Board and every CTICC employee and supplier for yet another outstanding performance. You have added immense value to the people of Cape Town and reasserted the CTICC’s position as one of the city’s, region’s and country’s valuable strategic assets.

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



***“In the last financial year, they delivered impressive results, not only exceeding their financial performance targets, but also helping to drive sustainable economic growth that underpins job creation.”***

**Helen Zille**

Premier of the Western Cape

## MESSAGE FROM THE PREMIER OF THE WESTERN CAPE

***Since opening its doors in 2003, the CTICC has made an immense contribution that is felt across the Western Cape and, indeed, the country as a whole.***

In the last financial year, they delivered impressive results, not only exceeding their financial performance targets, but also helping to drive sustainable economic growth that underpins job creation.

The impressive revenue and profit figures posted by the centre for the year under review validate the trust placed in it to go beyond merely being an events destination, but also to serve as a builder of businesses, communities, the city and the region.

The events the CTICC has hosted, in particular those aligned to key growth sectors identified by both the City and Province, have created important platforms for knowledge exchange and collaboration.

I am confident that, thanks to the consistent delivery of exceptional, and increasingly valuable results year after year, the investment into the CTICC expansion will prove to be money very well spent.

I look forward to watching the expanded CTICC take shape over the next two years and it will be particularly interesting to see the bigger and better CTICC influence South Africa's tourism, business and economic landscapes going forward.

On behalf of the Western Cape Government, I would like to congratulate the CTICC management, staff and stakeholders on a job very well done. You have all worked hard to develop the CTICC into the institution that it is today.

**Helen Zille**

Premier of the Western Cape

## MESSAGE FROM THE CHAIRMAN OF CONVENCO

***Given that the Cape Town meetings and events industry plays a vital role in promoting both business and leisure tourism in the region, the function and importance of the CTICC is beyond question.***

However, the role of the CTICC goes far beyond merely hosting events and exhibitions. In addition, the centre serves as one of the primary drivers of the development of the all-important knowledge economy - for our city, region and country.

The knowledge economy – a system of consumption and production that is based on intellectual capital – is now an essential foundation for sustainable economic growth and social development of any country. As such, the CTICC takes its role and responsibility of catalysing and driving the development of the knowledge economy very seriously. And, as will be evident when reading the pages of this Integrated Annual Report, the centre's efforts in this regard are proving highly successful.

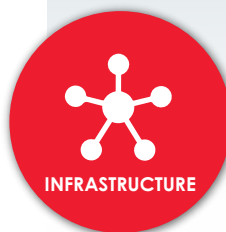
Importantly, as the expanded CTICC becomes a reality in less than two years' time, this role as a driver of SA's knowledge economy will be significantly enhanced. I am confident that, in time, the quantifiable components of such knowledge economy inputs will be included in future Integrated Annual Reports as vital measures of the CTICC's local, regional and national economic contributions.

Over the past year, our new CEO, Julie-May Ellingson, has demonstrated her grasp of this important role that the CTICC has to play. Under her leadership, I have no doubt that the centre's full potential in this regard will be unlocked and delivered – to the benefit of all stakeholders.

I would like to congratulate Julie-May on the quick way in which she has settled into her role at the helm of the CTICC, where she has raised the levels of effectiveness and success of the centre. Congratulations, also, to the CTICC executive management team and all staff members for another exceptional year of achievements.

Finally, my sincere thanks to former Chairman, Gary Fisher and my fellow board members whose commitment, insight and support serve as vital cornerstones of the CTICC's continued and growing success.

**Andrew Borraine**  
Chairman: Convenco



***“Importantly, as the expanded CTICC becomes a reality in less than two years' time, this role as a driver of SA's knowledge economy will be significantly enhanced.”***

**Andrew Borraine**  
Chairman: Convenco





*“Our performance is measured not only against the bottom line, but also in terms of the contribution we make to the social and economic development of Cape Town, the Western Cape and South Africa.”*

**Julie-May Ellingson**  
Chief Executive Officer

## REVIEW BY THE CHIEF EXECUTIVE OFFICER OF THE CTICC

*The CTICC delivered a truly exceptional performance in the 2014/15 financial year, achieving the best economic and financial results in its 12 year history. These are reflected in revenues of R197m (incl. other income) (R21.3m above prior year) profit before tax of R60.8m (R35m above prior year), EBITDA of R52.9m (R17.5m above prior year) and net profit for the year of R42m (R24.5m above prior year). In addition, the CTICC delivered the highest economic contribution adding R3.4bn to the National Gross Domestic Product (GDP) and R3.1bn to the Regional Gross Geographic Product (GGP) while sustaining a record 8 058 direct and indirect jobs. Spend with BBBEE companies increased by 66% from R158m in the prior year to R263m in 2014/15 financial year.*

While we are understandably proud of these financial figures, our performance is measured not only against the bottom line, but also in terms of the contribution we make to the social and economic development of Cape Town, the Western Cape and South Africa.

For this reason, I am very pleased to report that in the 2014/15 financial year, the CTICC delivered the highest economic contribution in its 12-year history, adding R3.4bn to National Gross Domestic Product (GDP) and R3.1bn to Regional Gross Geographic Product (GGP).

### Creating jobs and uplifting communities

Social sustainability remains core to our existence and as such there has to be more to the value delivered by our convention centre than economic impact. That's why our success as an asset of the people of Cape Town is also measured in terms of the role we play in creating and sustaining jobs as well as our contribution to uplifting local communities.

In addition to sustaining 3 568 direct jobs in the Western Cape and 4 490 indirect employment opportunities across South Africa, we have increased our BBBEE spend by 66% from R158m in the previous financial year to R263m in the 2014/15 financial year. Procurement from women-owned companies also increased from 20% of the previous financial year to 28% in the 2014/15 financial year.

Our commitment to supporting the communities in which we operate continued over the past year and we built further on the strong relationships we have with our four local community partners. Our investment of more than R790 000 into a variety of community development programmes were bolstered through the many opportunities we created for our staff and other stakeholders to volunteer their time and talents in serving others.

As part of our 12th anniversary celebrations, we donated funds to 12 charities and community support organisations. For us, CSR initiatives go way beyond financial support. We are integrally involved in the projects that our local community partners offer across the province, not only once-off or events on commemorative days, but throughout the year. We have established meaningful relationships and our staff members have embraced the concept of volunteerism. Refer to page 74 for details of all our CSR activations during the period under review.

## Investing to enhance our value

Another key benefit of our strong performance over the past year is the ability it gives us to keep on investing in ourselves to ensure that we continue to grow the value we deliver. A big part of this reinvestment is in the form of training and skills development and, in the past year, we invested in a total of 3 639 hours of training for our employees.

Our investment in our people is exceeded only by our investment in our facilities and infrastructure and, in the year under review, this capital investment amounted to more than R29m, spread across 30 large maintenance and upgrade projects.

In our experience, this level of investment into all aspects of our business delivers consistently valuable returns in the form of excellent experiences for our clients and visitors.

We continually measure our success in this regard through our independently verified customer satisfaction index. In 2014/15, we again exceeded our overall customer satisfaction target of 75% by achieving a customer satisfaction rating of 80% across our business.

## Ensuring sustainable success

Sustainability has always been an integral component of the CTICC brand and the centre is widely considered a global leader in many aspects of business, economic, social, and environmental sustainability. We are also part of the UNGC initiative that supports responsible business. In the past financial year, we achieved a number of significant environmental sustainability milestones, not least of which were a further reduction in our carbon footprint, a 4.3% reduction in electricity usage, and a 4% reduction in water consumption.

## Preparing to expand our value

The expansion of the CTICC through the construction of the R832m CTICC East building is progressing well and we remain on track to open the doors of our expanded centre early in 2017. The additional capacity and flexibility delivered by the expansion will enhance our global offering and our contribution to the economic, professional and social development of Cape Town and the Western Cape.

Our expanded CTICC is already the subject of much global interest and we are pleased to have already signed up our first large international association conference in 2020 that will bring 15 000 delegates to our shores.

## Sustained success in the face of challenges

We have come to the end of another phenomenal year in the life of the CTICC. A year that has been characterised by numerous highlights and achievements, but also one that has not been without its challenges for the South African events industry as a whole. The impacts of Xenophobia, Ebola, and the recent implementation of visa regulations have undoubtedly been felt in many quarters. However, our industry, like us, remains robust and determined to keep on contributing to the elevation of Cape Town, the Western Cape and South Africa as pre-eminent global events destinations.

## Thank you

My first year as CEO of the CTICC has been an exciting and rewarding one, and it is largely due to the warmth and support I have experienced from all the centre's stakeholders since arriving here. My sincere thanks to the CTICC Executive team, staff and suppliers whose commitment and dedication are the foundations on which our success is built. Every milestone we have experienced and celebrated together has made me realise that it is truly a privilege to lead this organisation with such a dedicated and committed team by my side.

Thank you, also, to the CTICC shareholders and the Board of Directors for your support, guidance and assistance over the past year.

Finally, my heartfelt appreciation goes to all our CTICC clients. You are the reason the CTICC exists, and we highly value your continued support.

**Julie-May Ellingson**

Chief Executive Officer





ECONOMY

***"More than a venue, the CTICC is a significant asset of the City of Cape Town and the Western Cape Government."***



# ABOUT THE CTICC

## ORGANISATIONAL PROFILE

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***Set in the heart of Cape Town's central business district, the CTICC is a multi-purpose conference and exhibition centre that combines an absolute service commitment with an extensive range of premium venues, services and facilities to deliver extraordinary experiences for its clients and their guests.***

More than a venue, the CTICC is a significant asset of the City of Cape Town and the Western Cape Government. Through its innovation-driven business approach, the CTICC plays a vital role in strengthening the profile of the city, province and South Africa as premier global events and business tourism destinations.

### Full name

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

### Structure and ownership

The Cape Town International Convention Centre Company (Convenco) owns and manages the business of the Cape Town International Convention Centre (CTICC). It is jointly owned by the City of Cape Town, the Western Cape Government and SunWest International (Pty) Ltd.

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

The CTICC is based in the city of Cape Town and has no subsidiaries or operating companies.



## Shareholding

The Cape Town International Convention Centre Company SOC Ltd (RF) (Convenco) was formed in 1999. It is jointly owned by the City of Cape Town (which holds the majority of shares in the Company), the Western Cape Government, and SunWest International (Pty) Ltd.

The shareholding is detailed in the table below.

Other than changes to the shareholding proportions (as listed in the table below), there were no changes to the structure or format of the CTICC during the financial year under review.

## Shareholding of the CTICC

Shareholder	Shareholding as at 30 June 2015	Shareholding as at 30 June 2014	Shareholding as at 30 June 2013
<b>City of Cape Town</b>	69.9%	62.8%	50.2%
<b>Western Cape Government</b>	21.9%	24.9%	25.1%
<b>SunWest International (Pty) Ltd</b>	8.2%	12.3%	24.7%

## Primary products and services

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

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

## Markets served

The CTICC serves several markets across seven key sectors, namely: international conferences and conventions; national conferences and conventions; exhibitions; trade fairs, banquets; film and photo shoots; other meetings and special events.

In the year under review, the CTICC hosted events and serviced clients from many geographic locations, including: the United States of America (USA); United Kingdom (UK); Switzerland; Denmark; Ethiopia; Canada; Kenya; China; Oman and Belgium. The bulk of the events (71%), however, were for South African clients.

### The main facilities of the CTICC include the following:

- Two modern raked auditoria - which can seat 1 500 and 610 guests
- A sub-divisible, multifunctional ballroom of approximately 2 000 m<sup>2</sup>
- 11 399 m<sup>2</sup> of dedicated exhibition and trade show space
- 33 breakout rooms varying in capacity from 25 to 320 people
- A Roof Terrace room that seats 190 banquet-style, with independent foyer and terrace
- Three conservatories and two day restaurants flooded with natural light and indigenous flora
- A marshalling yard of 6 000 m<sup>2</sup>
- Dedicated hot, cold and pastry kitchen, and 14 satellite kitchens
- An in-house coffee shop called "Coffee on the Square"





## EXECUTIVE MANAGEMENT

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## Vision

***To become one of the world's top ten leading long-haul international convention centres 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 business tourism in South Africa.

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



## Mission

**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

While the CTICC is a municipal entity, our mandate is to remain financially sustainable with no financial assistance being received from government for our operations. Tightly managed processes are implemented throughout our business to ensure that clients receive a top quality experience while we ensure that we remain an economically viable venue.

## Values

**The achievement of our vision is driven by our strong 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.











## STAFF PROFILE AND EMPLOYMENT PHILOSOPHY

We firmly believe that if we grow our people, we will grow our business. As such, the success of the centre is built on individual successes of each of its employees and its proven ability to attract the most talented people and give them every opportunity to realise their full potential.

### Staff profile

The CTICC employs 151 employees, consisting of 140 permanent staff and 11 fixed-term contract staff including three graduate placements and six student placements. Over and above this, we employ the services of contract labour, depending on the need as it arises from the hosting of events.

16 permanent positions were filled during the year under review and 17 staff resigned.

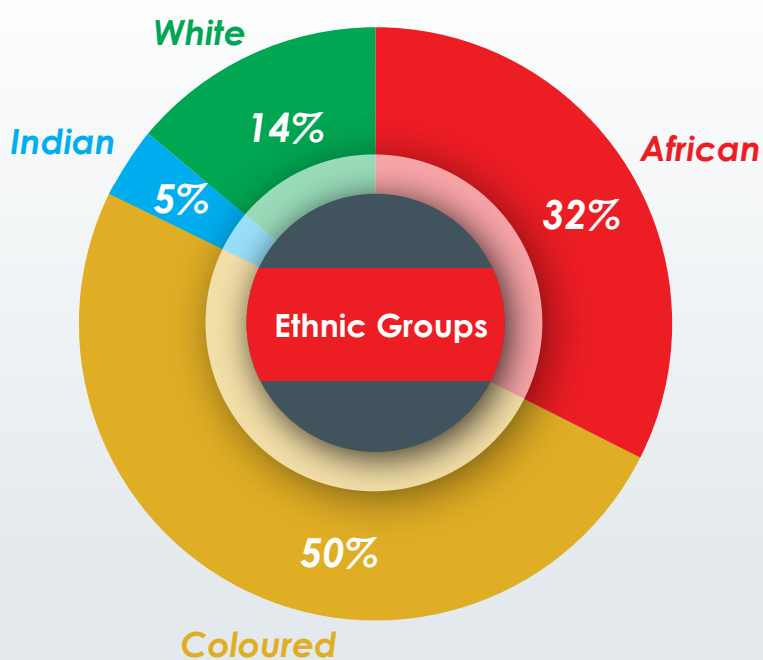
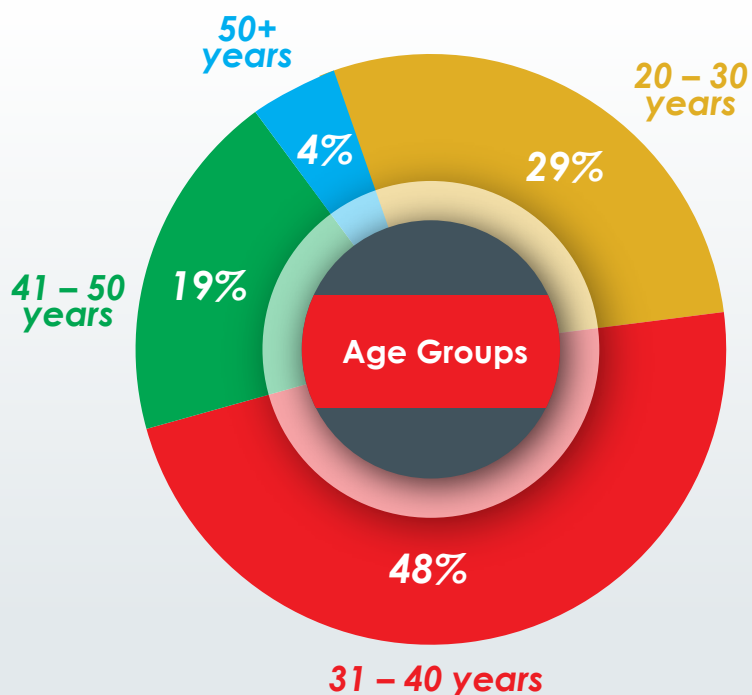
### DIVERSITY

At the CTICC we celebrate and embrace diversity and, as such, attempt to ensure that our staff complement is representative of the richness of South African society. The profile of the CTICC staff reflects our commitment to diversity, with 84 of our total staff being female and 67 male.

Diversity commitment is evident at every level of our organisation, including the Board of Directors.



### CTICC staff diversity





CTICC Mini Wedding Expo

## Employment philosophy

At the CTICC, we recognise that diversity in terms of race, gender and disability is key to business growth. Sustaining this growth requires that we display an ongoing commitment to focused training and skills development, mentoring and eliminating barriers.

When recruiting, preference is given to local residents to ensure that our centre contributes to job creation and the economic upliftment of the city of Cape Town. Local, in this context, refers to Cape Town and the Western Cape. 88% of the new recruits (permanent staff) for the year in review were from Cape Town and Western Cape.

## Equal and fair remuneration

There is no pay discrimination at the CTICC on the basis of race, gender or disability, and we take a conservative approach to employee taxation. This strategy places emphasis on Remuneration Policies that take the long-term interests of the Company and its employees into account and ensures that financial benefits are justified, appropriately valued and suitably disclosed. The CTICC's Total Rewards Policy is reviewed through a fair and transparent performance management system, which complies with all relevant tax and labour law legislation.

All CTICC employees have access to a provident fund and medical aid scheme. Staff are employed with a Cost to Company package and the Company pays their contributions directly from this total package.



# 88%

*Of permanent appointments from  
Cape Town and the Western Cape*



## CERTIFICATIONS

We use an Integrated Management System (IMS) to ensure quality management, environmental responsibility, and health and safety. Following an extensive exercise of transforming our work processes to internationally recognised systems standards, the International Standards Organisation (ISO) accredited the CTICC for the following standards:

- ISO 9001 (Quality Management)
- ISO 14001 (Environmental Management)
- OHASA 18001 (Occupational Health & Safety Management)

The centre is also a Hazard Analysis and Critical Control Points (HACCP) accredited facility.

The CTICC was reassessed in June 2015 and successfully maintained all of the above certifications.

The CTICC achieved its first Universal Accessibility (UA) audit, with an outstanding result of 83% for Mobility Accessibility from the Tourism Grading Council of South Africa (TGCSA) during the period under review.

As a leader in the industry it is also important for the CTICC to benchmark itself at an international level and it actively supports the United Nations Global Compact (UNGC) principles (see page 168).

## MEMBERSHIPS AND ASSOCIATIONS

**The CTICC is a member of the following associations:**

- International Association of Congress Centres (AIPC)
- Cape Chamber of Commerce and Industry
- Cape Town Tourism
- Exhibition Association of Southern Africa (EXSA)
- Federated Hospitality Association of Southern Africa (FEDHASA)
- International Congress and Convention Association (ICCA)
- Meeting Professionals International (MPI)
- Proudly South African
- Southern African Association for the Conference Industry (SAACI)
- The Global Association of the Exhibition Industry (UFI)
- South African Event Greening Forum (EGF)
- Green Building Council of South Africa (GBCSA)

## AWARDS

During the year under review, we received a number of industry awards, as detailed below:

- **MIMA Best Print Advertising Campaign Gold Award** – We were awarded the highly coveted Gold Award in the category of Best Print Advertising at the Meeting Industry Marketing Awards (MIMA), held in Lancaster, London. These awards recognise thought leaders in the marketing and advertising industries.
- **SAACI Best Venue Award 2014** – We scooped the prestigious award for the Best Venue for 2014 at the SAACI Annual Awards. The award acknowledges and recognises role players who have contributed to advancing the meetings and events industry of South Africa.
- **Top 40 Women in MICE** – Julie-May Ellingson, CEO of the CTICC, and Megan Arendse, General Manager: Commercial & Business Development, were both recognised amongst the Top 40 Women in the MICE (Meetings, Incentives, Conferences, and Exhibitions) sector.
- **SAACI Fellowship Award** – Megan Arendse, CTICC General Manager: Commercial & Business Development, received the SAACI Fellowship Award, which recognises industry professionals who have made a significant impact in advancing the local meetings and events industry.



## SAACI Best Venue Award







ECONOMY

*"With most of the 32 international conferences aligned to key sectors identified by the City and Province, for economic growth, the CTICC is making a vital contribution towards growing the City, Province and South Africa's expertise, knowledge and skills in these catalytic sectors."*





# DRIVING THE KNOWLEDGE ECONOMY THROUGH EXCEPTIONAL EVENTS

## REVIEW OF EVENTS IN 2014/15

*In the 2014/15 financial year the CTICC hosted a total of 502 events, once again exceeding its target of 500 that was agreed with its shareholders. The total number of attendees across all CTICC events was substantially up, thanks in large part to an increase in attendance numbers at exhibitions and other meetings.*

We have yet again met our target of hosting 32 international conferences and have brought large numbers of global delegates and international expertise to Cape Town. International congress delegate numbers have remained relatively consistent, with 35 091 international delegates attending congresses throughout the year.

The number of exhibitions, and other events we hosted over the past financial year also rose well, while visitor numbers to trade fairs, banquets and special events followed a pleasing upward trajectory, increasing from 473 131 in 2013/14 to an all-time high of 555 286 in 2014/15. This growth was fuelled mainly by the substantial increase in the number of visitors to exhibitions.



# 555 286

*Visitor numbers to trade fairs, banquets and special events reached an all-time high*

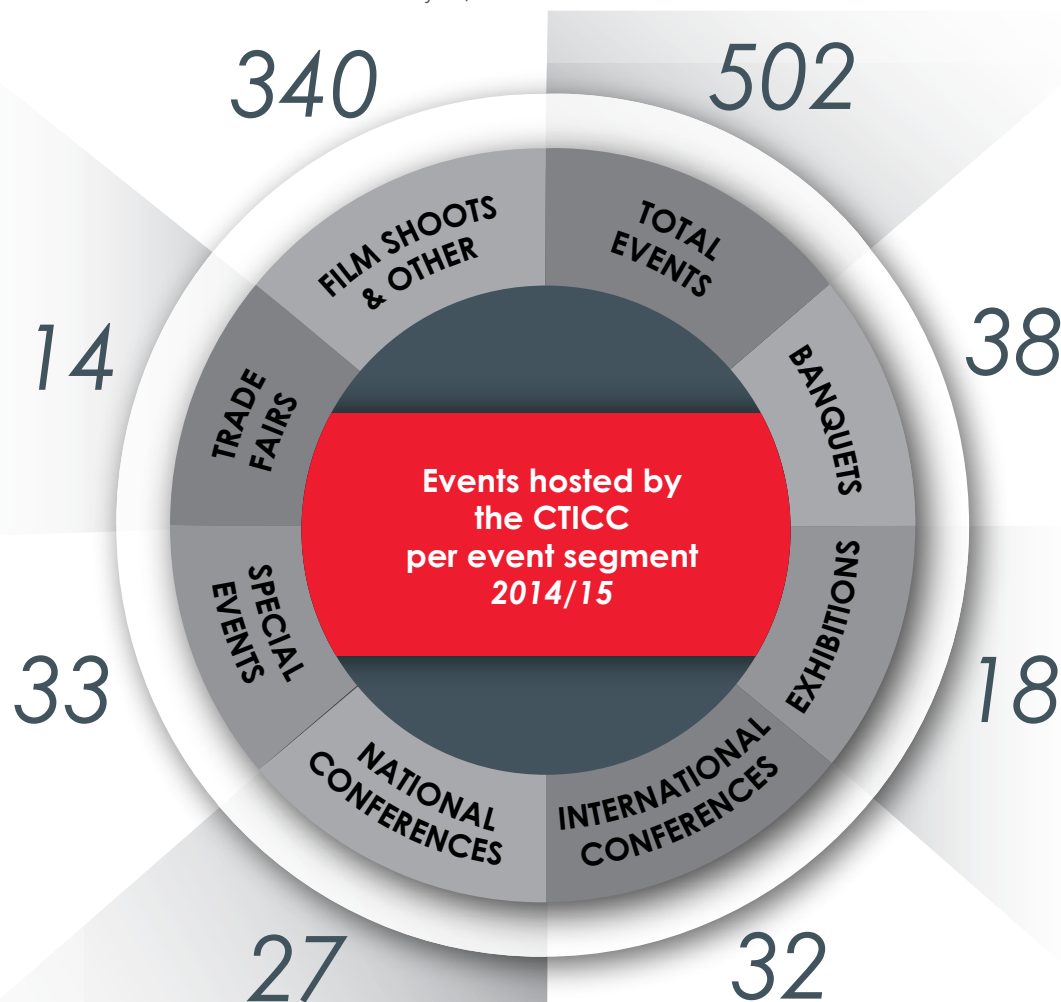




AfricaCom 2014

A key driver of the economic contribution of the CTICC is the number of delegate days which has increased over the past year, to 1.36m. In addition to the time spent at their events, a number of these delegates and visitors later return to Cape Town and the Western Cape as leisure tourists. In the 2014/15 financial year, the

total delegate and visitor days generated by the CTICC amounted to 1.36m. This is significantly up on the 1.22m of 2013/14 and is the highest number of visitor days since the centre opened in 2003. 35% of the visitor days were by international visitors.





*19th World Congress of the  
International Federation  
of Automatic Control 2014 (IFAC)*

## DEVELOPING THE KNOWLEDGE ECONOMY THROUGH EVENTS

As a leading provider of world-class facilities, services and experiences, the CTICC is a key contributor to the appeal of the city of Cape Town and the Western Cape as a pre-eminent events destination. We therefore have a pivotal role to play in attracting and hosting local, national and global events and conferences that further the sharing of knowledge, intellectual growth and the transfer of skills.

In order to stimulate the growth and development of the local economy, the City of Cape Town and the Western Cape Government have identified a number of catalytic sectors as critical priorities for the city and region. These include:

- Agro-processing
- Finance
- Health and medical technology
- ICT
- Metals, tooling and niche engineering
- Mining, oil and gas
- Retail
- The green economy, including renewable energy
- Tourism and events

The City of Cape Town and Western Cape Government have placed a priority on strengthening Cape Town and the Western Cape's competitiveness and attractiveness in terms of these important sectors through the promotion of growth, investment and trade.

As an asset of the City of Cape Town and Western Cape Government, the CTICC is highly involved in most of these sectors, as well as many others that are key to ongoing economic and knowledge development.

Many of the events we hosted in the 2014/15 financial year, particularly the 32 international conferences, fell within these catalytic sectors including, but not limited to, ICT, agriculture and processing, the green economy, property, mining, science, health and medical. In addition, we continue to attract national and local meetings, exhibitions and events in a range of other sectors ranging from film and media to consumer interest.

The event case studies included on pages 32 to 40 feature just some of the key events we hosted over the past financial year that are aligned to these sectors.





## DRIVING BUSINESS GROWTH

In 2014/15, we again exceeded our venue revenue generation target. Given that attracting and retaining business is the engine that drives much of our other income and revenue generation potential, as well as our overall economic sustainability, this is a significant achievement.

The success in this regard over the past financial year has been the result of a combination of factors, not least of which are a particular focus on:

- Effective and ongoing client engagement, relationship development and nurturing across all CTICC business sectors
- Efficient process management
- Perseverance in terms of driving engagement from initial contact to conversion of business
- Yield maximisation
- Sustaining of repeat business

Underpinning these strategic commercial elements is a particular focus on research-driven business development, which has proven especially successful in growing the CTICC's share of international corporate business. Importantly, this market sector not only offers massive growth potential for our centre, but unlike large association conferences that can be limited as a result of their geographic rotational approach, international corporate meetings and conferences present highly sustainable business growth prospects.

That said, we remain absolutely focused on large international associations as a key business sector and the combination of a strong research capability – delivered via a dedicated research professional – with an active ambassador contingent (see page 84) augurs very well for the continued growth of this vital sector going forward – particularly when the expanded CTICC opens its doors for business in 2017.

### Business growth through innovation

Innovation has long been a key strategic lever for the CTICC and remains central to our ability to attract local, national and international business. Over the past year, our marketing and communications efforts again centred on innovative ways of raising brand awareness, enhancing the perception and appeal of our centre, its venues and the services we offer. We also concentrated on building mutually beneficial relationships with prospects and clients through a variety of engagement channels. Initiatives and focus areas over the past year have included:

- A continued focus on social media as a primary channel through which to drive brand awareness and facilitate immediate public support. Social media platforms are also leveraged in order to boost event attendance.
- Targeted marketing campaigns aimed at strengthening connections between the CTICC and the specific sectors it serves. A good example is the extensive effort that has been put into engaging with the film sector, which is one of the key growth drivers identified by the City of Cape Town. These engagements included the hosting of relationship-building events and location scout days.
- Engaging with the smaller conference and events markets with the aim of dispelling the myth that the CTICC is only suited to large conventions and position the centre as a flexible venue for events of all shapes and sizes.





Client engagement

## Success through partnerships

One of the cornerstones of our sustainable success is our commitment to collaborating with other tourism and eventing organisations, not only to enhance our own position, but also to grow and develop the entire industry. These partner organisations include, but are not limited to the following:

- **Cape Town Convention Bureau** – a strategic business unit of Wesgro, this organisation works to promote Cape Town and the Western Cape as a premier destination for meetings, incentives, conferences, events, exhibitions and trade fairs.
- **Event organisers** – Professional Conference Organisers (PCOs) and exhibition organisers are our key clients. We work closely with these stakeholders to constantly refine and enhance our offering in line with their requirements and expectations.
- **The film and media industry** – Cape Town is a highly appealing international filming and photography destination. The CTICC is a sought after location for these shoots and we make every effort to promote our centre and the city to the global media industry.
- **The South African National Convention Bureau (SANCB)** – plays a vital role in positioning South Africa as a world-class international meetings and events destination.



**wesgro**  
cape town & western cape  
tourism, trade & investment

## Cape Town Convention Bureau

*A strategic business unit of Wesgro, this organisation works to promote Cape Town and the Western Cape as a premier destination for meetings, incentives, conferences, events, exhibitions and trade fairs.*



# CASE STUDIES OF EVENTS THAT CONTRIBUTED TO DEVELOPING THE KNOWLEDGE ECONOMY

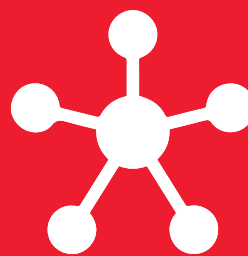
*Africa Travel Week*

*Investing in African  
Mining Indaba™*

*World Economic  
Forum on Africa*



ECONOMY



INFRASTRUCTURE

**WINDABA**

*19th World Congress of the  
International Federation of  
Automatic Control (IFAC)*

## Propak Cape 2014



INNOVATION

## Gartner Symposium/ITxpo



EDUCATION

## World Congress of Nephrology (WCN)

## 1st Low Carb High Fat Lifestyle Conference





***"I commend Cape Town for hosting WTM Africa for this is another platform to grow Tourism in South Africa."***

– Tokozile Xasa; South African Deputy Minister of Tourism

## **Africa Travel Week**

**April 2015**

### **Tourism and events sector**

The event comprised three co-located shows in the form of: World Travel Market (WTM) Africa; the International Luxury Travel Market (ILTM) Africa; and Incentives, Business Travel & Meetings (IBTM) Africa.

WTM® Africa is the only exhibition in Africa that caters for both inbound and outbound travel and is therefore imperative for the African travel industry in terms of influencing the market as well as driving economic growth within the continent.

This is the continent's largest international travel event, which attracted 5 000 travel professionals to the CTICC. An iconic event of this scale will not only put the spotlight on Africa but give us a competitive edge by providing focused, relevant, quality market-related knowledge and expertise.

Photo: Anthea Davison



## Investing in African Mining Indaba™ February 2015

### Mining, oil and gas sector

The CTICC again welcomed approximately 7 000 delegates from across the world to the annual Investing in African Mining Indaba™. Since first being held at the CTICC in 2004, the number of delegates has increased exponentially and the event has created a strong legacy for the sharing of knowledge, expertise and experience within this vital South African sector.

The deliberations focused on ensuring that the mining industry harnesses its contribution to Africa's development and bridges the existing trust deficit between mining companies and communities. There was also a high-level panel discussion entitled: Managing business risks while ensuring strategic growth: a conversation with leaders of the industry. This knowledge exchange session featured Alan Davies, Chief Executive, Diamonds & Minerals, Rio Tinto, Ben Magara, Chief Executive Officer, Lonmin and David Noko, Executive Vice President: Sustainability, AngloGold Ashanti.



***"I'm in Cape Town, South Africa, for the continent's largest mining conference where over seven thousand stakeholders are gathered to discuss investment opportunities. This year's theme – The world connecting with African mining – shows that there needs to be mutually beneficial partnerships between the government and the private sector."***

– Eleni Giokos: Bloomberg TV Africa





***"When you look at the challenges and opportunities that Africa faces, it is very clear that these challenges cannot be addressed and resolved by any single entity or by any single organisation. What we have realised over the years is that partnerships between government, civil society, and the private sector are critical to addressing the many challenges that we face."***

– Nathan Kalumbu, President for Eurasia and Africa group of Coca-Cola Company.

## World Economic Forum on Africa June 2015

### Finance sector

With the theme "Then and Now: Reimagining Africa's Future", this event set out to give direction to the future of Africa's economic growth over the next few years. The conference focused on enabling markets, inspiring creativity and marshalling resources. More than 1 250 leaders from business, politics, academia and civil society attended the event.

Some of the world's thought leaders who took to the podium included:

- Chairs: Antony Jenkins, Group Chief Executive, Barclays, United Kingdom;
- Phumzile Mlambo-Ngcuka, Undersecretary-General and Executive Director, United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), New York;
- Patrice Motsepe, Founder and Executive Chairman, African Rainbow Minerals, South Africa;
- Paul Polman, Chief Executive Officer, Unilever, United Kingdom;
- Michael Rake, Chairman, BT Group, United Kingdom

Some of the additional platforms for knowledge exchange include:

- Grow Africa – a parallel conference that focused on food security.
- Community Conversations – public debates, where young people from the city were invited to ask questions to key panel members.



## Gartner Symposium/ITxpo September 2014

### ICT Sector

This is the world's most important gathering of Chief Information Officers (CIOs) and senior IT Executives. In this new digital era, people, businesses and things are connecting, transacting and even negotiating with one another directly. Delegates learnt how to realise, build and optimise digital opportunities, move digital business from theory to practice, and evolve their own IT leadership to become indispensable in the new digital business world. The ITxpo showcased the latest solutions from technology providers at the very leading edge of their fields.

This event operates with the advice and input from an advisory board that includes thought leaders in this field, to help guide the content and direction of the event and ensure that the event addresses the needs of the audience.



***"Three days at the Symposium allows me to deeply engage with technical experts around some of the strategic issues I'm facing for the next 12 months."***

– Mervyn Christoffels; CIO: University of the Western Cape





***"This is the one and only event of its kind from a trade show perspective in the Western Cape. There are international exhibitors that are represented on the floor and the local Western Cape market really wants to engage. The feedback that we have received from exhibitors is incredibly positive."***

– Gary Corin; Managing Director at  
Specialised Exhibitions Montgomery

## Propak Cape 2014

October 2014

### Agro-processing sector

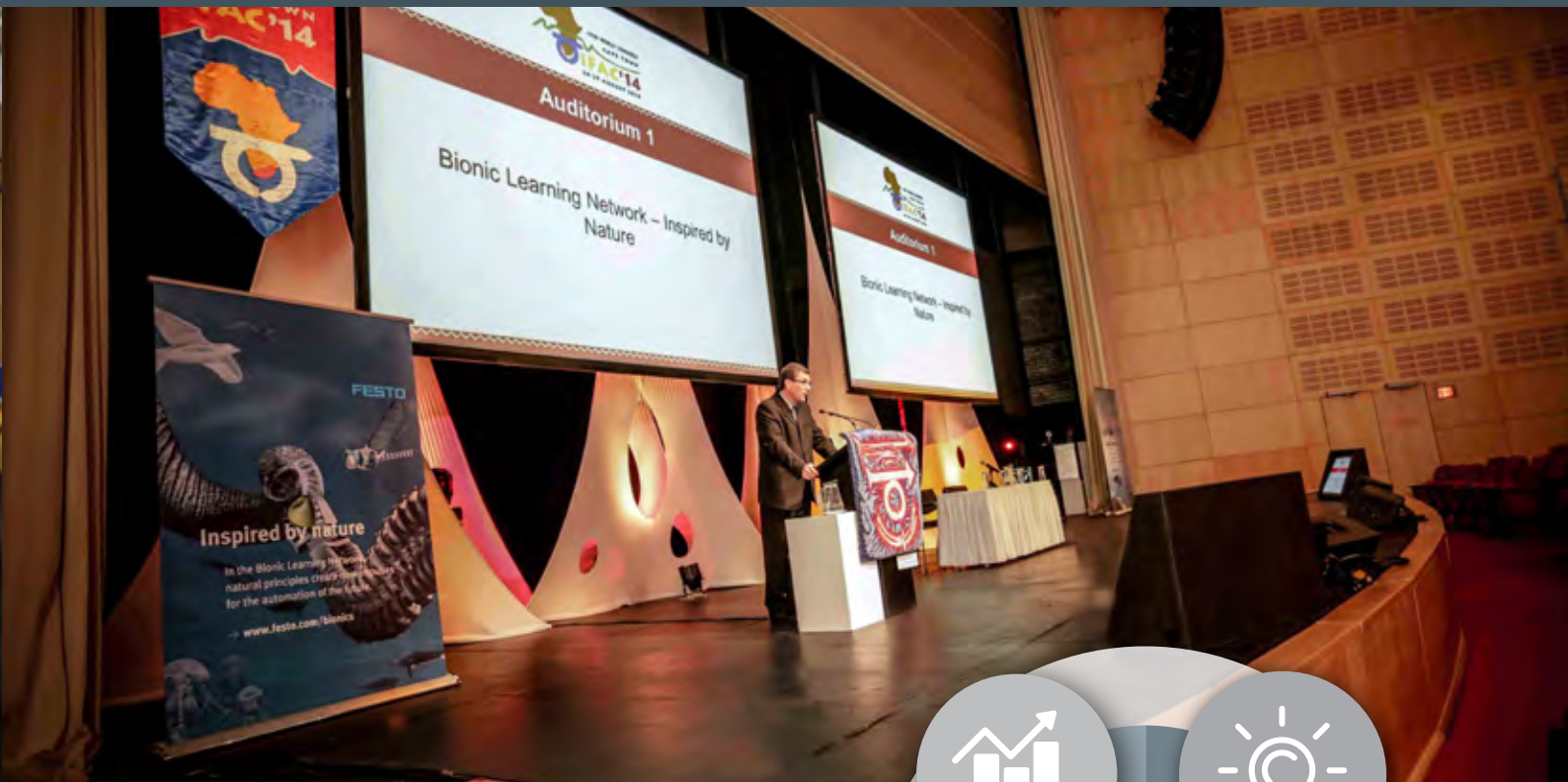
This highly influential packaging industry show focused on total packaging solutions and simultaneously featured co-located shows FoodPro, Pro-Plas Expo, Print Expo and Pro-Label Cape.

The exhibition brought together buyers and sellers in the value chain. The latest developments and new technologies coming out of the local plastics industry were showcased. A co-located Print Expo focused on machinery and equipment for pre-press and digital printing, finishing and consumables.

A key topic of discussion was the growth in biodegradable plastic packaging, which is being fuelled by consumer demand for more environmentally sustainable products.

The South African Packaging industry generates around R45bn in revenue each year.

The industry growth is expected to continue with food and beverages generating the highest growth.



## 19th World Congress of the International Federation of Automatic Control (IFAC)

August 2014

### Metals, tooling and niche engineering sector

This event was a first for Africa, attracting more than 1900 participants, from over 60 countries including eight other African countries.

More than 2 500 papers were submitted from authors hailing from 73 different countries. Through a peer-review process 76% of these were accepted, resulting in more than 2 000 papers being presented at the conference.

Some of the knowledge exchange sessions included: 11 pre-congress tutorials, 11 plenary lectures, two special panel sessions, two sessions of a public lecture and one youth workshop.



***"I am absolutely thrilled to hear the report that the co-chair gave about the number of papers that South Africans submitted for this conference. That is the kind of research productivity I am very keen to see among scientists in our country."***

— Minister Naledi Pandor; South African Minister of Science and Technology





***“WINDaba is the premier meeting point of wind energy professionals, who converge to strengthen an exponentially expanding wind energy economy through technology and collaboration.”***

## WINDABA

November 2014

### **The green economy, including renewable energy sector**

WINDABA is the annual conference and exhibition for the South African industry hosted by the South African Wind Energy Association (SAWEA) in partnership with the Global Wind Energy Council (GWEC). It is the premier meeting point of wind energy professionals, who converge to strengthen an exponentially expanding wind energy economy through technology and collaboration.

Some of the thought leaders in the energy sector who engaged at this event, include:

- Mike Roussow – former chair of the Energy Intensive User’s Group, former member of NERSA.
- Power Systems Analyst, Keith Bowen, who was the primary energy modeller for the Integrated Resource Plan, South Africa’s energy blueprint for the next twenty years.
- South African Independent Power Producer Association’s (SAIPPA’s) Doug Kuni.
- Paolo Frankl, Head of Renewable Energy at the International Energy Agency.
- Cas Coovadia, acting CEO of Business Unity South Africa, who has been deeply involved in discussion between business and government on energy matters.



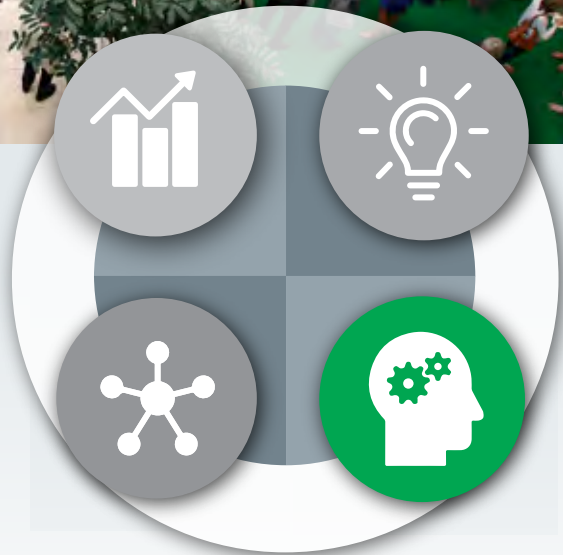
## 1st Low Carb High Fat Lifestyle Conference

February 2015

### Health and medical technology sector

A total of 400 medical professionals attended the conference, facilitating valuable knowledge exchange and providing sceptics the opportunity to debate topics with the international line up of low-carb specialists. The four-day debate generated interest both within the medical industry and from the public. The 17 industry experts included Dr Andreas Eenfeldt, Dr Ann Childers, Christine Cronau, Dr Eric Westman, Gary Taubes, Dr Jason Fung, Jimmy Moore, and Dr Robert Cywes – to name a few.

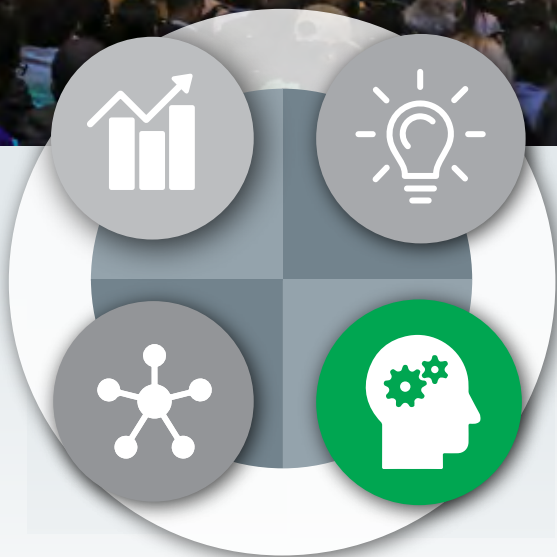
Due to the high calibre of speakers the conference was medically accredited, with the Continuing Professional Development (CPD) allocation for medical professionals being increased from 22 to 29 points. This assisted attending health professionals to maintain and acquire new and updated levels of knowledge, skills and ethical practices that will be beneficial to the industry and enhance professional integrity.



***"We are trying to spread the LCHF message around the world. We have a convening of all the great experts and I'm really fortunate to be a part of this. The researchers who have made this global revolutionary lifestyle and dietary trend happen are all here and it's incredibly exciting."***

– Jimmy Moore; Speaker at the LCHF Conference





*“South Africa has been earmarked by the ISN to train those wishing to become Nephrologists. Many such physicians – mainly from the rest of Africa – have taken advantage of this training opportunity, which has the advantage that it more closely resembles conditions in Africa, including many aspects of the financial constraints seen elsewhere on the continent.”*

– Prof. Charles Swanepoel; Chair of the Local Organising Committee

## World Congress of Nephrology (WCN)

March 2015

### Health and medical technology sector

More than 3 500 medical specialists from 124 countries, gathered to engage with nearly 200 expert speakers who focused on renal health care issues relevant to Africa and the world.

We were honoured to host the first World Congress of Nephrology in Africa, providing an essential platform to disseminate information among key role players helping to mobilise the advancement of renal care in African regions.

The commitment of the International Society of Nephrology (ISN) to the global advancement of nephrology was recognised in the scientific programme. Over 1 500 abstracts were accepted for poster presentations.

An additional two-day knowledge exchange took place at various venues in the Western Cape, including a panel session for young industry professionals.



*CTICC's premier venues offer flexibility without compromise*





# EVENT HIGHLIGHTS



*Good Food & Wine Show*




429 688

*Total number of exhibition visitors  
for the year*

*“Many of the events the CTICC hosted in the 2014/15 financial year fell within the catalytic sectors identified by the City of Cape Town and the Western Cape Government; ICT, agro-processing the green economy, property, mining, science, health and medical.”*

## Highlighted Exhibitions aligned to key sectors of the City and Province

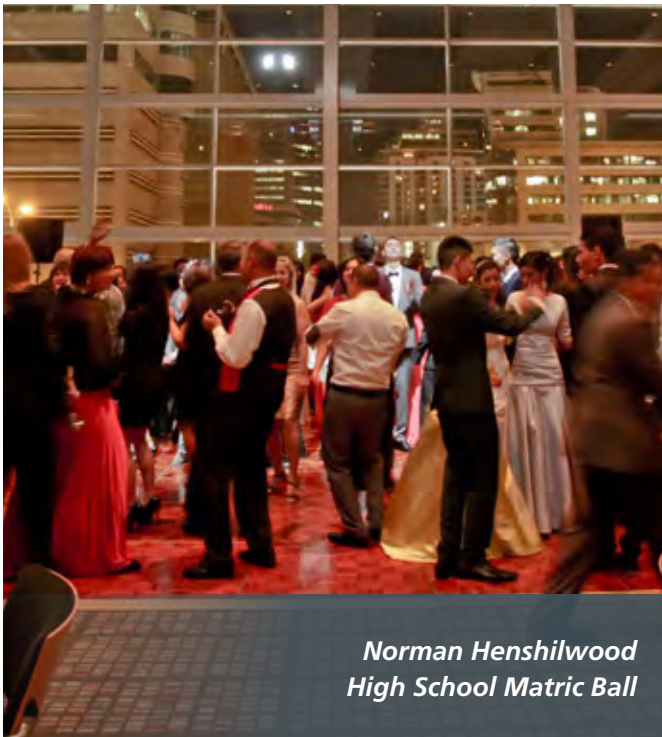
Finance sector	Month/Year	Pax
Seda Entrepreneurs Expo	November 2014	1 000
<b>ICT sector</b>		
Electronic & Gaming Expo	May 2015	9 900
<b>Retail sector</b>		
Factory Shop Exhibition	August 2014	7 430
Baba Indaba 2014	August 2014	43 439
Cape HOMEMAKERS Expo	September 2014	37 512
Hobby X	October 2014	16 020
MamaMagic, The Baby Expo	October 2014	42 360
The Cake and Bake Show	November 2014	9 000
Spree Sample Sale	November 2014	4 434
StyleSociety Pop up Boutique	November 2014	450
Design Indaba Expo	February 2015	39 160
Decorex Cape Town	April 2015	40 480
Good Food & Wine Show	May 2015	32 000
<b>Tourism and events sector</b>		
Days of the Dinosaur	July 2014	79 483
Cape Town International Boat Show	October 2014	13 560
Old Mutual Two Oceans Marathon Expo	April 2015	40 200
The South African Wedding Show	June 2015	1 660
<b>Other events sector</b>		
ANC 103 Exhibition	January 2015	9 000

18

*Exhibitions held for the year under review*







# 13 428

*Total number of banquet attendees  
for the year*

*“The number of exhibitions and other events hosted over the past financial year rose well, while visitor numbers to trade fairs, banquets and special events followed a pleasing upward trajectory.”*

## Highlighted Banquets

Event	Month/Year	Pax
Harold Cressy High School Matric Ball	August 2014	150
SAICA Southern Region Annual Dinner	September 2014	465
Absa Business Banking Dinner	October 2014	100
Joe Slovo Engineering High School Matric Ball	October 2014	100
Pfizer Eraxis Launch	October 2014	76
Veritas Wine Awards	October 2014	700
T.I.C.E. 10th Anniversary Gala Event	October 2014	161
BPeSA Western Cape Annual Awards Gala	November 2014	649
EOH 2014 Year End Function	November 2014	1 244
Premier's Entrepreneurship Recognition Awards Ceremony	November 2014	220
Transnet Long Service Awards	November 2014	345
Mitchells Plain School of Skills Graduation Dinner	December 2014	70
Product Solutions End of Year Awards Function (Old Mutual)	December 2014	410
Woolworths Constantia Village Year End Function	December 2014	65
Asian Paints Group 1	January 2015	281
The Future of Manufacturing Colloquium	January 2015	120
Global Ubuntu Awards Gala Dinner	February 2015	650
Department of Correctional Services National Awards	March 2015	900
Norman Henshilwood High School Matric Ball	May 2015	420
1 000 Women 1 Voice	May 2015	800







# 35 091

**Total number of international delegates for the year**

*“During the year under review, we secured 24 bids for international association meetings, including our first international event to be hosted in both the CTICC West and the new CTICC East building in 2020.”*

## Highlighted International Conferences aligned to key sectors of the City and Province

Agro-processing sector	Month/Year	Pax
25th Annual IAOM Mideast & Africa District Conference & Expo	December 2014	350
<b>Finance sector</b>		
4th UNI World Indaba	December 2014	2 043
AMWAY China	April 2015	1 200
Boston Consulting Group's Worldwide Officers Meeting	May 2015	1 100
World Economic Forum on Africa	June 2015	1 000
<b>Health and medical technology sector</b>		
17th World Congress on Basic and Clinical Pharmacology	July 2014	1 450
39th World Small Animal Veterinary Association Congress	September 2014	1 600
Third Global Symposium on Health Systems Research	September 2014	1 700
HIV Research for Prevention: Microbicide and ARV-based Prevention Science	October 2014	1 200
World Congress of Nephrology	March 2015	3 500
<b>ICT sector</b>		
AfricaCom	November 2014	1 750
Bureau of the Fédération Internationale des Conseils en Propriété Intellectuelle Congress (FICPI)	April 2015	433
<b>Metals, tooling and niche engineering sector</b>		
19th World Congress of the International Federation of Automatic Control	August 2014	2 440
<b>Mining, oil and gas sector</b>		
21st Annual Oil Conference	November 2014	1 300
Investing in African Mining Indaba™	February 2015	6 750
<b>Retail sector</b>		
Fédération Internationale des Déménageurs Internationaux	March 2015	600
<b>Tourism and events sector</b>		
11th International Conference on Responsible Tourism in Destinations	April 2015	120

# 32

**International Conferences held for the year under review**





1st Low Carb High Fat Lifestyle Conference



Gartner Symposium ITxpo Africa 2014



18 650

*Total number of national delegates  
for the year*

*“A substantial component of the economic contribution of the CTICC is delivered via delegates and other visitors to Cape Town. In the 2014/15 financial year, 1.36m delegate and visitor days were generated – the highest number since the centre opened.”*

## Highlighted National Conferences aligned to key sectors of the City and Province

Finance sector	Month/Year	Pax
Financial and Fiscal Commission 20th Year Anniversary Conference	August 2014	365
Institute of Municipal Finance Officers	October 2014	1 000
Actuarial Society of South Africa Annual Convention	October 2014	900
Health and medical technology sector		
South African Optometric Association Connex14	August 2014	1 069
South African Orthopaedic Association National Conference	September 2014	1 000
South African Paediatric Association & South African Association of Paediatric Surgeons Congress	September 2014	630
Southern African HIV Clinicians Society Congress	September 2014	930
ENT/ SASLHA/ SAAA Congress	October 2014	650
National Osseointegration Congress	October 2014	470
1st Low Carb High Fat Lifestyle Conference	February 2015	450
4th Annual Congress of the Faculty of Consulting Physicians of South Africa	May 2015	120
ICT sector		
Gartner Symposium/ITxpo Africa	September 2014	900
Retail sector		
South African Council of Shopping Centres National Congress	August 2014	1 500
The green economy, including renewable energy sector		
The Green Building Council of South Africa 2014 Convention	September 2014	650
WINDABA	November 2014	250
Tourism and events sector		
7th Annual E-Tourism Africa Summit	September 2014	240

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







Huawei Safe City Africa Summit 2015



53 020

Total number of other event visitors  
for the year

*"In the 2014/15 financial year, the CTICC hosted a total of 502 events, exceeding the target agreed with its shareholders. The total number of attendees across all events was substantially up."*

### Highlighted Other Events aligned to key sectors of the City and Province

Finance sector	Month/Year	Pax
Dynamic Wealth Conference	July 2014	1 000
Discovery Life, Invest & Insure Roadshow	August 2014	630
Juta's Annual Labour Law Seminar	September 2014	150
Young Entrepreneurship Conference	September 2014	300
Allan Gray Roadshow	October 2014	1 274
eCommerce Africa Confex	February 2015	300
The Global Training Association of Chartered Certified Accountants South Africa Tour	February 2015	50
Ernst & Young Budget Speech Breakfast	February 2015	200
Western Cape Funding Fair	March 2015	880
Health and medical technology sector		
Ethics 4 All	November 2011	1 500
ICT sector		
Internetix	July 2014	620
PwC Higher Education Conference	September 2014	180
Disability Summit	February 2015	200
Huawei Safe City Africa Summit	April 2015	410
Retail sector		
Retail Indaba	October 2014	50
The green economy, including renewable energy		
Fifth Wood Conference	February 2015	700
Tourism and events sector		
Women In Quality Conference and Awards	August 2014	81
Interfaith Leaders Peace Indaba	August 2014	315
Airport Business Opportunities Conference	October 2014	860
Santa Shoebox Project Drop Off	October 2014	4 368
Jubilee Church Breakfast Event	December 2014	300
South African Dairy Championships	March 2015	65
Old Mutual Trophy Wine Show	June 2015	400
Herbalife Southern Africa Leadership Development Weekend	June 2015	500

305

Other Events held for the year under review





Cape Town International Jazz Festival 2015



# 89 331

*Total number of special event visitors for the year*

*“In the year under review, the CTICC hosted events and serviced clients from many geographic locations...”*

## Highlighted Special Events

Event	Month/Year	Pax
Mercedes-Benz Fashion Week Cape Town	July 2014	7 800
Nedbank Cape Winemakers Guild Showcase	August 2014	498
Kleinser	August 2014	1 500
The 36th Loerie Awards	September 2014	3 000
Discovery Health Launch	September 2014	800
LA Health Product Launch	September 2014	140
Mr & Ms Fitness SA Champions	September 2014	3 000
63rd International Bartenders Association Meeting	October 2014	1 275
SiMODiSA Start-Up South Africa	October 2014	1 000
Veritas Public Tasting	October 2014	400
Deloitte Veritas Wine Tasting	October 2014	341
Brian Walsh and Friends	November 2014	500
Keeping you in Stitches 3	November 2014	1 500
JT Foxx – Proof of Success	November 2014	1 000
JT Foxx – Property Tour	December 2014	500
Blame it on the Boogie	December 2014	6 000
Cape Town Hair and Beauty Show	December 2014	647
The Manhattans Soulful Sounds Cape Town	January 2015	4 000
World Skills South Africa National Competition	February 2015	9 500
Brian Walsh - The Millionaire Master Plan	February 2015	513
Deepak Chopra Future of Wellness	March 2015	1 400
Cape Town International Jazz Festival	March 2015	37 500
Sinai Indaba V	June 2015	903
7th Shiraz Showcase	June 2015	238

# 33

*Special Events held for the year under review*







Africa Travel Week 2015



36 667

*Total number of trade fair visitors  
for the year*

*“The very exciting expansion of the CTICC plays a pivotal role in continuing to bring international business to our city and region. It will enable the CTICC to meet the growing demand to stage more events, offer more flexibility and allow for an increase in the concurrent hosting.”*

Patricia de Lille; Executive Mayor of Cape Town

## Highlighted Trade Fairs aligned to key sectors of the City and Province

Agro-processing	Month/Year	Pax
Industrial Showcase-Cape	July 2014	4 239
Propak Cape	October 2014	5 838
<b>ICT sector</b>		
Future Pavillion	November 2014	300
<b>Metals, tooling and niche engineering</b>		
Cape Construction Expo	August 2014	2 100
<b>Mining, oil and gas sector</b>		
2015 BP Suppliers Convention	June 2015	180
<b>Retail sector</b>		
16th International Apparel, Textile & Footwear Trade Exhibition of Southern Africa	November 2014	2 100
ATF 2014	November 2014	2 100
SPAR Trade Show	April 2015	700
Source Africa	June 2015	2 000
Professional Beauty Cape Town	June 2015	3 000
<b>The green economy, including renewable energy sector</b>		
African Utility Week	May 2015	5 190
<b>Tourism and events sector</b>		
Cape Premier Yearling Sale	January 2015	3 000
Africa Travel Week	April 2015	5 000
Food Hospitality World	May 2015	2 400

14

*Trade Fairs held for the year under review*





Compelling images (Reuters/John/TV) suggest children take priority in relief, rehabilitation, and recovery. But the same message is ignored, under-represented, and even misrepresented.

Downloaded from  
http://www.aidwatch.org



ECONOMY

*“A large part of the CTICC’s contribution comes from the direct operations of our centre, but we also deliver value by raising the tourist and business profile of the city and province.”*



A scenic view of a mountain landscape. In the foreground, there are various green plants and a person walking on a path. The middle ground shows a lush green area with trees. The background features a large, rugged mountain under a clear blue sky.

# DRIVING ECONOMIC SUSTAINABILITY TOGETHER WITH THE KNOWLEDGE ECONOMY

## A STELLAR FINANCIAL PERFORMANCE

---

***In 2014/15 the CTICC achieved exceptional financial results, raising our after-tax profits from R17.5m in the previous period to R42m.***

This financial success was as a result of a healthy year-on-year increase in revenue (including other income) from R176m in 2013/14 to R197m in the past year as well as an increase in finance income from R11.3m in 2013/14 to just over R30m in 2014/15.

Our revenue growth is also related to our focus on containing costs through effective cost controls which saw our operating costs of R144m, being 9% below our budget of R159m for the financial year.

## A STEADILY GROWING ECONOMIC CONTRIBUTION

---

The significant contribution of the CTICC to the economies of the city of Cape Town, the Western Cape and South Africa are well documented. A large part of this contribution comes from the direct operations of our centre, but we also deliver value by raising the tourist and business profile of the city and province.

With the exception of induced tourism, the overall economic performance of the CTICC during the 2014/15 financial year was the best it has ever been since we opened our doors. After tax profit, revenue, contribution to Gross Domestic Product (GDP) and Gross Geographic Product (GGP), job creation, taxes, indirect household income and foreign exchange earnings are all higher than any previous year.



## Highlights of the CTICC's 2014/15 economic contribution

# 3 568

**Direct employment opportunities sustained in the Western Cape**  
(2013/14: 3 376)

# 4 490

**Indirect employment opportunities sustained across SA** (2013/14: 4 273)

The financial contributions for 2014/15 means that we have now made a cumulative contribution of:

# R28.8bn

to National GDP; and

# R25.6bn

to Regional GGP

# R197m

Revenue (including other income)  
(R16.8m above target of R180.2m)

# R52.9m

EBITDA  
(R27.6m above target of R25.3m)

# R60.8m

Profit before tax  
(R41.6m above target of R19.2m)

# R42m

Net profit  
(R28.3m above target of R13.7m)

### Other economic benefits of the CTICC

Apart from the key macroeconomic effects discussed, there are many other macroeconomic effects that flow from the CTICC. In the year under review, these included an estimated:

# R1.20bn

in foreign exchange earnings  
(2013/14: R1.13bn)

# R319m

in taxes (2013/14: R291m)

# R1.72bn

in indirect household income  
(2013/14: R1.55bn)

# 1.36m

Visitor and delegate days  
(2013/14: 1.22m)

# R3.4bn

Contributed to National GDP  
(2013/14: R3.1bn)

# R3.1bn

Contributed to Regional GGP  
(2013/14: R2.8bn)



# World Economic Forum on Africa

## Cape Town, 3-5 June 2015



*World Economic Forum on Africa*

### Summary of the CTICC's overall economic contribution for 2014/15

#### Macroeconomic contribution for the 2015 financial year

Rand million, 2015 Prices	GDP	GGP	Direct WC Jobs	Indirect SA Jobs	Direct & Indirect Taxes	Indirect H-hold Income	Net Forex Earnings	Delegate & Visitor Days
CTICC Capital Expenditure	40	28	47	56	4	22		
CTICC Operational Expenditure	71	123	68	88	16	35		
Host/Organiser Expenditure	82	25	36	110	9	45		
Exhibitor Expenditure	270	187	119	309	26	136		
Delegate Expenditure	1 974	1 853	2 332	2 692	176	999		
<b>Sub-total</b>	<b>2 437</b>	<b>2 216</b>	<b>2 602</b>	<b>3 255</b>	<b>231</b>	<b>1 237</b>		
Induced Tourism	957	841	966	1 235	88	481		
<b>Total Contribution 2015</b>	<b>3 394</b>	<b>3 057</b>	<b>3 568</b>	<b>4 490</b>	<b>319</b>	<b>1 718</b>	<b>657</b>	<b>1 363 523</b>
Total Contribution 2014	3 071	2 771	3 376	4 273	291	1 554	638	1 219 226



## The CTICC's contribution to regional and national economies

Operations at the CTICC (including capital and operational expenditure by ourselves as well as hosts, organisers, exhibitors and delegates) contributed R2.4bn to National GDP and R2.2bn to Regional GGP.

The effect of induced tourism added a further R957m to GDP and R841m to GGP, bringing the total economic contributions made by the CTICC for the 2014/15 financial year highlighted below:

### CTICC contribution to National Gross Domestic Product

Rand million, normal prices Financial Year	FY2015	FY2014	FY2013
CTICC Capital Expenditure	40	29	26
CTICC Operational Expenditure	71	72	60
Host/Organiser Expenditure	82	80	75
Exhibitor Expenditure	270	226	225
Delegate Expenditure	1 974	1 690	1 695
<b>Sub-total</b>	<b>2 437</b>	<b>2 097</b>	<b>2 081</b>
Induced Tourism	957	974	909
<b>Total Contribution to GDP</b>	<b>3 394</b>	<b>3 071</b>	<b>2 990</b>
Cumulative Contribution	28 812	25 418	22 347

This means that, over the last 12 years we have made a cumulative contribution of R28.8bn to National GDP.

### CTICC contribution to Regional Gross Geographic Product

Rand million, normal prices Financial Year	FY2015	FY2014	FY2013
CTICC Capital Expenditure	28	19	18
CTICC Operational Expenditure	123	123	103
Host/Organiser Expenditure	25	25	26
Exhibitor Expenditure	187	157	156
Delegate Expenditure	1 853	1 594	1 618
<b>Sub-total</b>	<b>2 216</b>	<b>1 918</b>	<b>1 921</b>
Induced Tourism	841	853	742
<b>Total Contribution to GGP</b>	<b>3 057</b>	<b>2 771</b>	<b>2 663</b>
Cumulative Contribution	25 654	22 597	19 826

Over the last 12 years we have made a cumulative contribution of R25.6bn to Regional GGP.

## Employment opportunities created by the CTICC

A significant component of our socio-economic contribution to the Western Cape and South Africa is the ability we have to create sustainable direct and indirect job opportunities. A total of 8 058 direct and indirect jobs have been sustained during this financial year.

### Direct job creation (Western Cape)

In the 2014/15 financial year, the number of direct jobs we sustained increased from the 3 376 in 2013/14 to 3 568. This represents a year-on-year increase of 5.69%.

### Indirect job creation

In the 2014/15 financial year, we sustained a total of 4 490 indirect jobs, which is a 5% increase on the 4 273 of the 2013/14 period.



# 8 058

*Direct and indirect jobs sustained*



FICPI

## Creation of direct employment opportunities in the Western Cape

Financial Year	FY2015	FY2014	FY2013
CTICC Capital Expenditure	47	38	35
CTICC Operational Expenditure	68	71	62
Host / Organiser Expenditure	36	37	37
Exhibitor Expenditure	119	104	109
Delegate Expenditure	2 332	2 098	2 266
<b>Sub-total</b>	<b>2 602</b>	<b>2 348</b>	<b>2 509</b>
Induced Tourism	966	1 028	950
<b>Total Direct Jobs</b>	<b>3 568</b>	<b>3 376</b>	<b>3 459</b>

## Creation of indirect employment opportunities in South Africa

Financial Year	FY2015	FY2014	FY2013
CTICC Capital Expenditure	56	43	41
CTICC Operational Expenditure	88	94	83
Host/Organiser Expenditure	110	112	112
Exhibitor Expenditure	309	272	288
Delegate Expenditure	2 692	2 432	2 583
<b>Sub-total</b>	<b>3 255</b>	<b>2 953</b>	<b>3 107</b>
Induced Tourism	1 235	1 320	1 309
<b>Total Indirect Jobs</b>	<b>4 490</b>	<b>4 273</b>	<b>4 416</b>





*Executive Management*

## BEYOND THE NUMBERS: KEY PERFORMANCE INDICATORS (KPIs)

While sustainable financial performance is vital for our ability to continue delivering on our mandate and moving towards the realisation of our vision, the success of the business is measured by far more than bottom line figures. As a key asset of the City of Cape Town and Western Cape Government, our centre has a responsibility to deliver on a variety of targets we have agreed with our majority shareholder. These targets are articulated in a comprehensive set of Key Performance Indicators (KPIs) that have been agreed between Convenco and the City.

Importantly, while these KPIs set out organisational priorities and objectives, they are also used to inform the departmental, team and individual performance assessment criteria across our business.

In the 2014/15 financial year, we once again exceeded all our KPIs, thereby ensuring that we continue to serve as a valuable contributor to the City's achievement of its strategic objectives.

Details of our achievements against all our KPIs in 2014/15 appear on page 63 of this report.

## ENTERPRISE DEVELOPMENT

At the CTICC we place a priority on utilising both SMME suppliers and micro enterprises. As a municipal entity we are obliged to comply with the Municipal Finance Management Act of South Africa, 2003 (Act 56 of 2003) and we adhere to the accompanying Supply Chain Regulations.

In line with our ongoing commitment to help develop businesses in our sector and beyond, our BBBEE spend for the 2014/15 financial year was over R263m. This is significantly up on the R158m of the previous year – an increase of 66%.

Procurement via SMME suppliers for this period stayed steady year-on-year at 67% of our total procurement spend.

Procurement from women-owned companies represented 28% of total supplier spend for the year, which is a good increase on the 20% of the previous financial year.

### Supporting local suppliers

While the Municipal Finance Management Act places limitations on preferential treatment of suppliers, due consideration is given to the BBBEE status, SMME status, sustainability criteria (where relevant), and location of businesses. Where possible, we prefer to use local suppliers, as long as the procurement procedures fall within MFMA regulations and meet its competitive pricing requirements. We define local suppliers as those situated within the borders of the Western Cape.

A total of R276m, or 90.3% of total procurement was with locally based suppliers in the 2014/15 financial year. This is slightly higher than the 89.6% of the previous financial year and shows that our proactive procurement practices are having a positive impact.

## Key Performance Indicators (KPIs) for the 2014/15 financial year

Category	Measurement	Target 2015	Actual 2015
1. Events	Number of events hosted compared to budgeted target	500	502
Events	Number of international events hosted compared to budgeted target	32	32
2. Human Capital Development	Percentage of annual total salary cost spent on training of permanent and temporary staff	5%	5%
3. Customer Centricity and Service Excellence	75% minimum aggregate score for all CTICC internal departments and external suppliers	75%	80%
4. Supply Chain Procurement from BBBEE Suppliers Measured in line with BBBEE Act	Percentage spend not lower than 50%	50%	85%

5. Budget			
Operating Profit	Percentage achievement of budgeted operating profit	100%	317%
Capital Project*	Percentage of the total number of capital projects for the year completed or committed	80%	100%
Capital Expenditure	Maintain five star standards through effective management of maintenance	Five Star Tourism Grading Council Certification Achieved	Five Star Tourism Grading Council Certification Achieved
Capital Expenditure (CTICC East Expansion Programme)	Q1 – Bulk earthworks 70% complete**	100% Milestone achieved	100%
	Q2 – Award to Principal Building Contractor	100% Milestone achieved	100%
	Q3 – Principal Building Contractor Site Establishment***	100% Milestone achieved	100%
	Q3 – Completion on Traffic Management Plan, submission of basement and building plans	100% Milestone achieved	100%

6. Governance			
External Audit Report	Unqualified Audit Report	Unqualified Audit Report for 2013/14 financial year	Unqualified Audit Report for 2013/14 financial year achieved
Minimum Competency Level	Number of senior managers registered for MFMA Competency Course	7	10

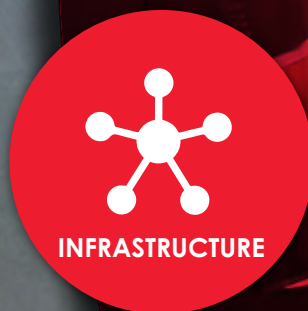
\* Capital projects – Capital projects are projects of a capital nature which have a definitive start and end date. These include: new construction; renovations and additions to existing structures; improvements that correct inadequacies; extend the life, or change the use of existing space or systems; fabricating equipment; and customising software. Depending on the size and complexity of a project, the project could have a variety of stages or milestones.

\*\* Bulk earthworks – This includes the re-routing of existing services in the affected area, lateral support, excavation and removal of large quantities of soil, installation

of piling, and installation of sub-soil drainage to achieve a suitable foundation and level for the Principle Building Contractor to commence with construction on 31 January 2015 in a specific area (Zone 1).

\*\*\* Site establishment – The securing of a building site with hoarding, and ensuring that all amenities are provided to the construction workers. It also requires that all health and safety systems and all the necessary signage and notices are in place prior to commencement of construction works.





***“The CTICC expansion will allow us to meet the growing demand to stage more events, offer more flexibility and host concurrent events and exhibitions of various sizes.”***





# DEVELOPING A KNOWLEDGE-ENABLING INFRASTRUCTURE

## REINVESTING IN THE BUSINESS

*At the CTICC we recognise that economic sustainability is only possible through a willingness to continually invest back into our product offering and infrastructure. To this end, over the past financial year, we invested significantly into enhancing our systems, processes, services, infrastructure and facilities via a total of 30 large capital investment projects.*

A total of 25 projects were initiated in the period under review with a further five projects carried over from the previous financial year. All of these projects had been completed by the end of the financial year under review.

### **Significant projects completed included (but were not limited to):**

- The addition of a further 319 parking bays in the P1 parking facility
- The replacement of lighting (from T8 to T5 i.e. 58 Watt to 35 Watt) in P1 and P3 parking areas and CCTV cameras in P1
- The complete refurbishment of the CTICC's in-house coffee shop, "Coffee on the Square"
- Extensive Wi-Fi upgrades across the CTICC, including a higher capacity Wi-Fi router
- Replacement of the control room surveillance and Building Management System (BMS) monitoring screens
- The provision of emergency lighting in all the exhibition halls
- The retiling of the restaurant areas
- The refurbishment of hot and cold kitchen floors, including retiling and ceiling renewal
- Various repairs to the external building façade
- The refurbishment of all the air-conditioning cooling towers, actuator valves and other climate control components
- Replacement of meeting room carpets





*Enhanced guest interaction*

## CTICC capital expenditure in 2014/15

	Carry Over 2013/2014	2014/15	Consolidated 2014/2015
Total Capex projects planned	5	25	30
Actual Capex projects completed/in progress	5	25	30
<b>Percentage projects achieved</b>	100.00%	100.00%	100.00%
Percentage unattained	0.00%	0.00%	0.00%
Total Capex budget	R6 965 965	<b>R22 328 950</b>	R29 294 915
Actual Capex spend	R6 930 077	<b>R19 686 308</b>	R26 616 386
Actual Capex un-spent	R35 888	<b>R2 642 641</b>	R2 678 529
<b>Percentage spend achieved (R)</b>	99.48%	<b>88.16%</b>	90.86%
<b>Percentage un-spent (R)</b>	0.52%	<b>11.84%</b>	9.14%

## INVESTING TO ENSURE EXCEPTIONAL GUEST EXPERIENCES

Our Food and Beverage department plays a vital role in ensuring we deliver world-class experiences to our clients and visitors. That's why, in the past year, this department focused intently on the three key components of customer satisfaction, operational efficiency, and training and development. Innovation and ongoing investment have been key to the delivery of the strategic objectives underpinning these focus areas and, as a result, we have undertaken a number of initiatives that have been met with considerable approval from our various stakeholders. These include:

- The implementation of a new deli-style menu at all our public catering outlets, with fresh products on display that can be weighed and ordered by our guests.
- An extensive revamp of our banqueting/conference space, including new display props, crockery, menu signage and buffet furniture.
- The purchase of new coffee machines, display units and induction units for our very popular interactive cooking stations. More such branded stations, with enhanced guest interaction opportunities, have also been introduced.

- Restructured, flexible menus to cater for diverse client and guest needs.
- New stand catering products, giving our clients innovative ways of creating business opportunities at their exhibition stands.
- The addition of display screens to existing point of sale units to enhance customer experience through appropriate and targeted messaging and visual sales aids.
- The introduction of a new system in the beverage store to keep a thorough control on all stock, thereby reducing waste and minimising variances.

Going forward, as the CTICC expands, the focus of the Operations and Food & Beverage department will remain on effective cost management, targeted reinvestment, and a commitment to innovation and sustainability.

## INVESTING IN A SUSTAINABLE CENTRE AND FUTURE

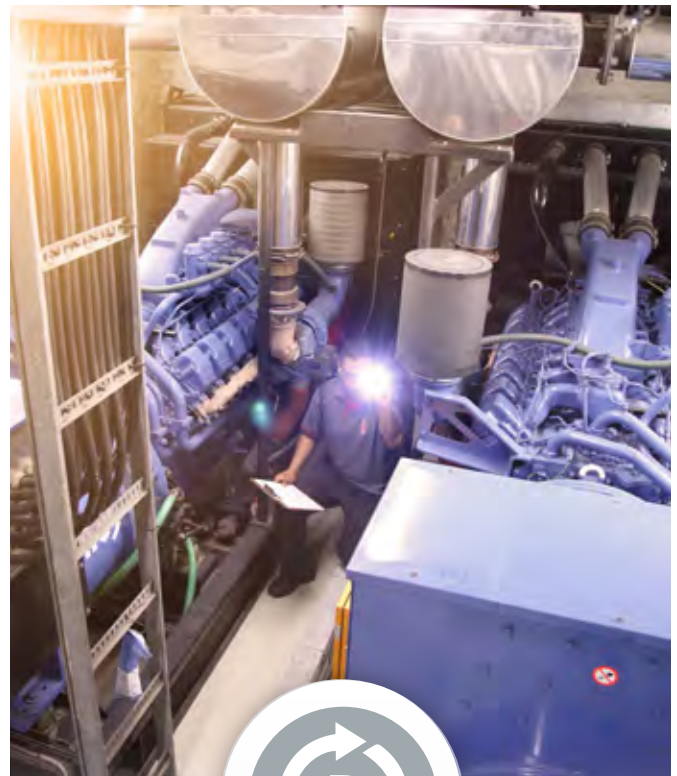
At the CTICC, our business strategy places a priority on progressively and innovatively implementing best practice environmental sustainability initiatives, particularly in terms of energy efficiency, waste minimisation and water conservation. We believe that as a business that is serious about its long-term success, we must be prepared to build that success on a solid triple bottom line. For this reason, we position economic, social and environmental considerations at the core of our operations.

While not necessarily physical infrastructure, we view environmental and social sustainability as a cornerstone of the knowledge economy. Without empowered and educated communities, supported by a growth-enabling environment, the ability to share knowledge and drive economic growth will be compromised.

This understanding drives us to be innovative, in the process creating opportunities for our stakeholders and memorable experiences for our clients.

## INVESTING IN ENERGY EFFICIENCY

During the 2014/15 period, the CTICC used a total of 34 098.7 gigajoules of energy from indirect energy sources (electricity). This represents a significant reduction of 4.3% on energy usage in the previous financial year.

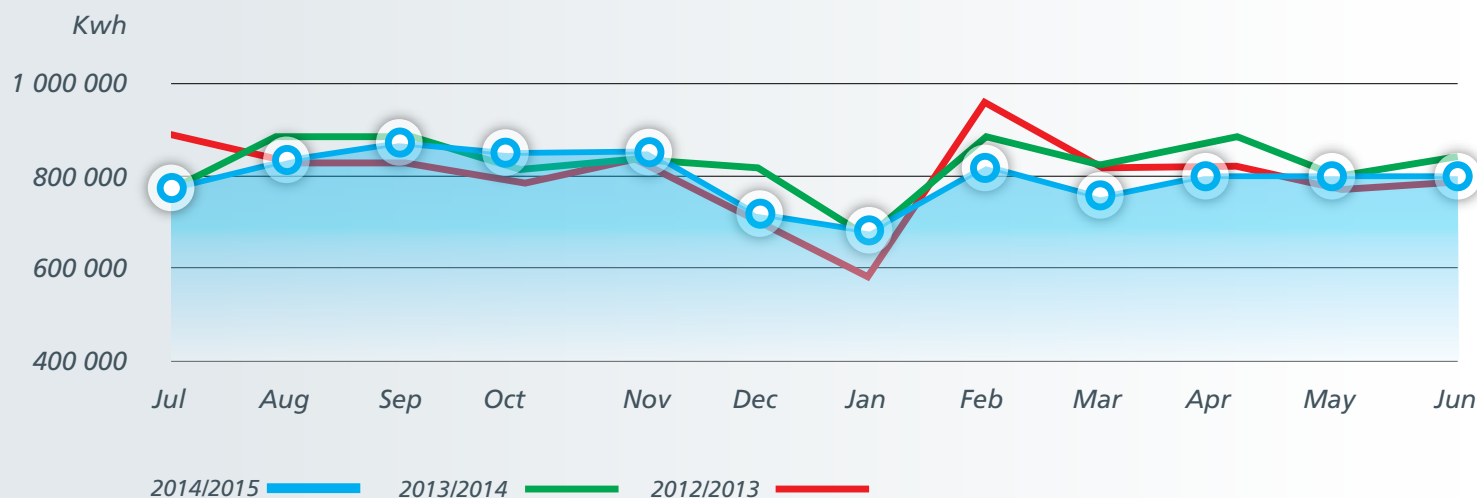


# R26.6m

**Reinvested into the business via 30 large  
capex projects**



## Three-year comparison of the CTICC's annual energy usage



## Comparison of annual CTICC electricity usage

	Total kVA	Total kWh	Average kWh/Day	Average kWh/m2	kVA Cost	kWh Cost	Total Cost
<b>2014/15</b>	27 905.42	9 471 860.00	25 881.24	0.47	R4 860 286.30	R5 532 480.52	<b>R10 392 766.82</b>
<b>2013/14</b>	27 396.94	9 894 699.00	27 051.16	0.49	R4 433 372.18	R5 369 498.01	<b>R9 802 870.19</b>
<b>2012/13</b>	27 779.49	9 622 936.00	26 315.42	0.48	R4 167 756.58	R4 839 570.03	<b>R9 007 326.61</b>
Y-O-Y difference for past three financial periods	1.9%	-4.3%	-4.3%	-4.3%	9.6%	3%	6%

This saving of 4.3% in indirect energy represents an impressive achievement of 200% above our target reduction of 2% per year. We have also stabilised energy demand in terms of kVA, which was initially fairly volatile due to the spikes caused by load shedding. This more stable demand pattern is the direct result of careful ongoing monitoring and maintenance as well as investment into various energy saving initiatives, including the upgrading of our Building Management System.

Given that our primary “product” is inextricably linked to our building, investment into enhancing its energy efficiency is, in effect, an investment in the improvement of our offering to clients and visitors.

During the year under review, we implemented numerous energy efficiency initiatives. Some of these are highlighted in the table below, along with the energy savings realised.

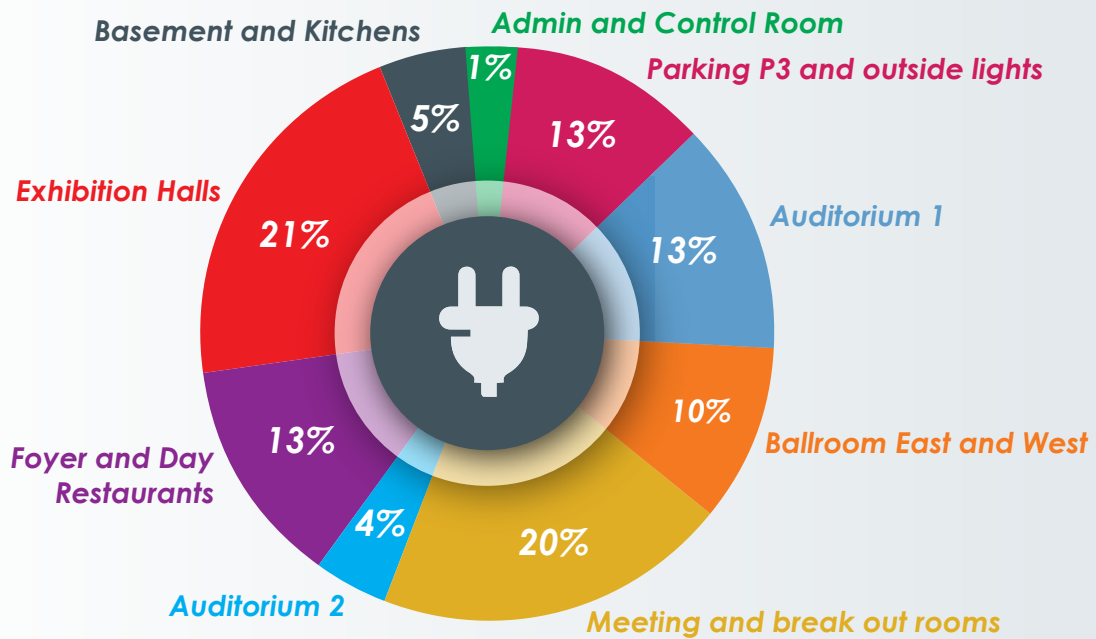
## Energy savings realised through retrofitting programme

Efficiency investment	Amount	kW Saving per unit	Total kW Saving
Old T8 2x58 watt light fittings were replaced with new T5 2x49 watt light fittings in the Exhibition Halls.	378	0.009	3.402
The 150 watt halogen lights on the Auditorium 1 stage were replaced with 50 watt LED floodlights.	7	0.1	0.7
The old magnetic light ballast was replaced with a new electronic ballast in Ballroom East.	60	0.0225	1.35
The 35 watt dichroic down-lights were replaced with 6.5 watt LEDs in the Green Room area.	40	0.0285	1.14

A study undertaken during the year under review revealed our centre’s main sources of energy consumption. Interestingly, the two main energy consumers are our Meeting Rooms and Exhibition Halls, where electricity consumption is in the control of our clients.

This confirms the need for us to keep on partnering closely with these stakeholders, and relevant suppliers, to raise awareness and help them reduce their energy usage.

## Breakdown of electricity consumption by venues: a pilot study



During the year under review, we used 145.03 gigajoules of energy from primary sources (fuel). This was mainly the result of

a requirement to make bulk purchases of diesel for our generators so that we are able to continue operations during load shedding.

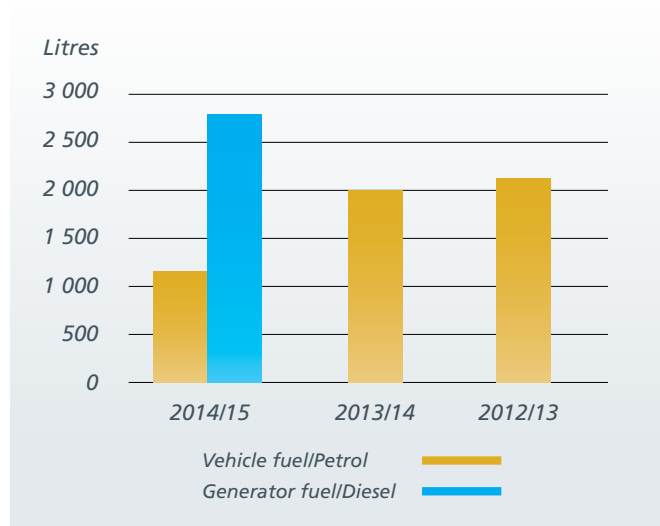
## Fuel used by the CTICC

Fuel usage	2014/15	2013/14	2012/13
Vehicle fuel/petrol	1221.98	2012.54	2175.95
Diesel	2763.23	0	0
Total fuel (litres)	3985.21	2012.54	2175.95
Metric tons	3.32	1.48	1.60
Gigajoules	145.03	66.47	71.87

Such investment in diesel is likely to continue for as long as load shedding is a reality in South Africa. Our ability to assure our

clients and guests of uninterrupted power supply is essential to our continued ability to continue attracting, and growing, events.

## Year-on-year fuel consumption



# 4.3%

**Reduction of electricity usage during 2014/15**



## INVESTING TO BUILD EMPOWERED COMMUNITIES

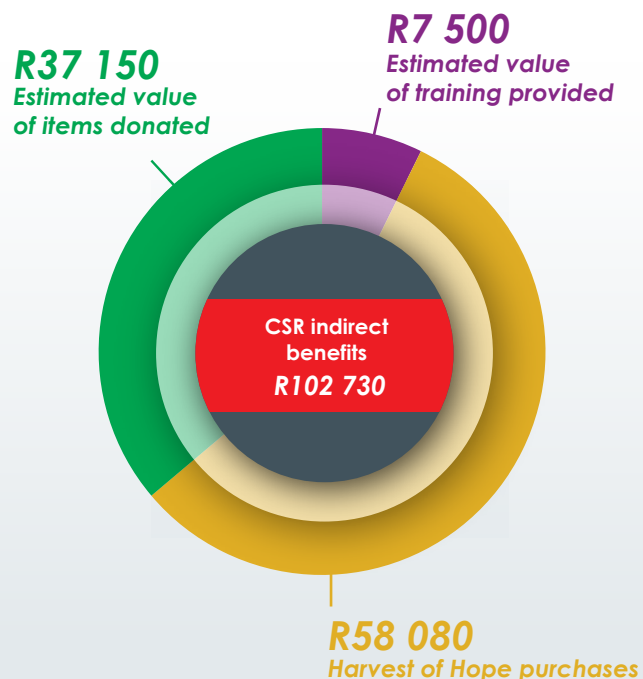
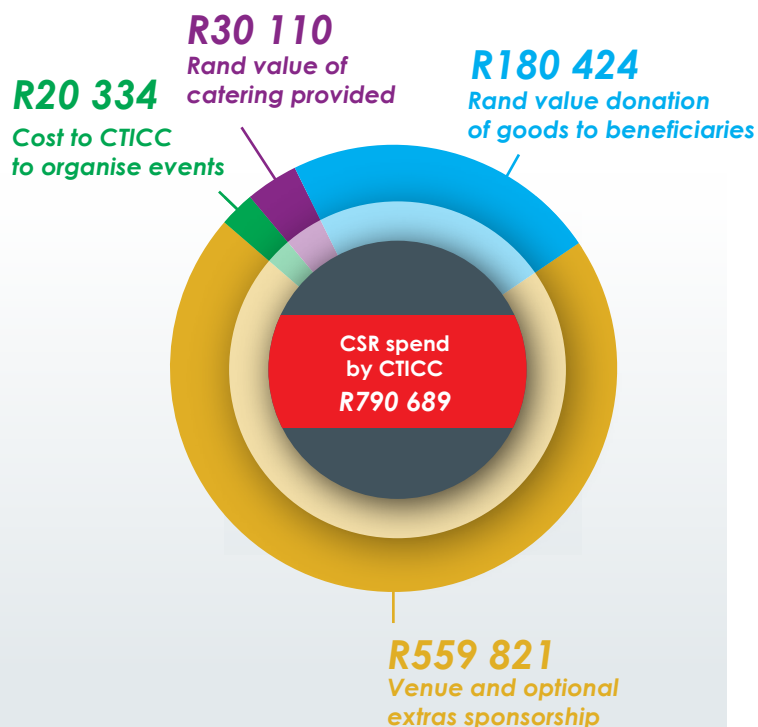
We are committed to partnering with local communities to help create a society that can contribute to improving the lives of all South Africans. Key to this commitment has been our ongoing support of four local community partners with which we have established long-term partnerships. These community partners are:

- **Abalimi Bezekhaya** – a NGO that aims to combat poverty by empowering farmers to grow food sustainably, using organic methods, in community gardens and generate their own income.
- **Foundation for Alcohol Related Research (FARR)** – the leading NGO source of research and information on Foetal Alcohol Spectrum Disorders (FASD) and the most severe form of this disorder, namely Foetal Alcohol Syndrome (FAS) in South Africa.
- **Mitchells Plain School of Skills** – offers youth who experience difficulty succeeding in the mainstream academic context the opportunity to gain useful artisanal skills such as catering, woodwork among others.
- **The Haven Night Shelter** – provides temporary shelter, physical care, social welfare and family re-unification services to adult homeless persons in the Western Cape.

### Investing money, time and talent in support of communities

During the year under review, we invested more than R790 000 into various community development programmes and delivered a further estimated R102 730 in value to local communities through the donation of goods, services and training.

### Value of CSR contributions in 2014/15





*Foundation for Alcohol-Related Research (FARR) activation for International Nelson Mandela Day*





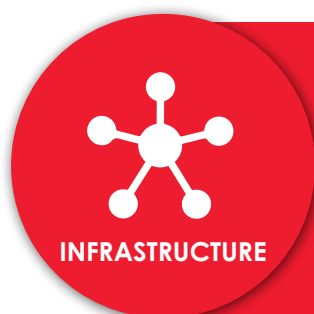
12

**NGOs given R12 000 each  
as part of CTICC's 12th birthday celebrations**

### **Celebrating our shared success**

To celebrate the CTICC's 12-year anniversary, a donation of R12 000 was made to 12 selected Cape Town NGOs who provide support services for the elderly, homeless, orphans and youth.

Our staff members are integrally involved in all Corporate Social Responsibility (CSR) activations and, as such, were directly involved in nominating the NGOs. The CTICC has existing relationships with six of the organisations identified, while the other six are new organisations that the staff identified as being in need of support. The 12 NGOs that each received R12 000 are detailed overleaf.



***"Our social sustainability commitment goes beyond financial support. It is enhanced by the caring actions and participation of our staff."***



- |   |   |
|---|---|
| 1. Abalimi Bezekhaya (Philippi)                         | 7. Lions Club (De Grendel)                                  |
| 2. Beautiful Gate Child and Family Centre (Crossroads)  | 8. Mitchells Plain School of Skills (Mitchells Plain)       |
| 3. Covenant Women, Inc (Mitchells Plain)                | 9. Mother's Unite (Lavender Hill)                           |
| 4. Foundation for Alcohol-Related Research (Rondebosch) | 10. Red Cross War Memorial Children's Hospital (Rondebosch) |
| 5. Home of Hope (Tableview)                             | 11. The Haven Night Shelter (Cape Town)                     |
| 6. iKhaya le Themba (Khayelitsha)                       | 12. Zip Zap Circus (Cape Town)                              |





*National Water Week Activation*

#### **Abalimi Bezekhaya**

We organised an activation with Khanyisa Community Garden in Khayelitsha during National Water Week. Clay soil, mulch, compost and manure were sponsored in order to assist the farmers with making their soils more water-efficient.

#### **Abalimi Bezekhaya**

In commemoration of International Nelson Mandela Day, held annually on 18 July, we assisted the Abalimi Bezekhaya farmers at Moya We Khaya to plant their vegetables and prepare their various vegetable gardens.

#### **Beautiful Gate Child and Family Centre**

Conference bags from Investing in African Mining Indaba™ were filled with stationery and donated to learners at Beautiful Gate Education Project in Crossroads.

#### **Clean C**

In commemoration of International Nelson Mandela Day, a park in Joe Slovo was cleaned and re-painted with the help of Clean C.

#### **Foundation for Alcohol-Related Research (FARR)**

In commemoration of International Nelson Mandela Day, we donated goods to FARR for their Wolsely Project. The goods included garden benches, soft toys, and a microwave.



*CTICC Career Development Skills Day*





*The Haven Night Shelter activation for International Nelson Mandela Day*

## CTICC staff working to achieve social upliftment

Our social sustainability commitment goes beyond financial support. It is enhanced by the caring actions and participation of our staff. They recognise that giving of their time and talents not only deliver benefits for communities, but also for themselves. We are committed to creating volunteerism opportunities for all our staff. This section highlights just some of these volunteerism opportunities offered to employees over the past financial year:

### Good Hope SPCA

The International Sales and Commercial department collected dry dog and cat food and warm blankets for the SPCA.

### The Haven Night Shelter

In commemoration of International Mandela Day, we provided lunch and care packs to the Haven Night Shelter. In addition a number of our staff members helped with various tasks such as cleaning the bathrooms, etc.

### The Haven Night Shelter

For International Human Rights Day, paint and showerheads were procured to assist the Haven Night Shelter with the renovation for their bathroom. The CTICC Maintenance team carried out the painting of the shelter.

### Mitchells Plain School of Skills and Lathi-tha School of Skills, Khayelitsha

The CTICC Career Development Skills Day takes place annually, in commemoration of National Youth Day. Two schools were invited to participate and received a combination of career skills and IT skills training. Learners took home a printed CV as well as an electronic copy on a flash drive. A total of 22 of our staff members participated in the event as mentors.



### Santa Shoe Box Project

The Commercial department supported the Santa Shoebox Project by donating shoeboxes, filled with various items, for under-privileged children.



## GROWING OUR VALUE: CTICC EXPANSION

In the year under review, we commenced with construction of CTICC East, which will be a significant extension of our existing facility and is budgeted to cost R832m.

The expansion, which is funded by the City of Cape Town and Western Cape Government, will raise the global competitiveness of Cape Town as a premier world-class meetings and events destination, in turn allowing the CTICC to meet the City's Integrated Development Plan objective of establishing Cape Town as Africa's business events destination.

Currently, we are experiencing significant capacity challenges, which present a risk to our ability to sustain and grow the business. The expansion therefore plays a pivotal role in our continued ability to bring international business to the region. By effectively

doubling the CTICC's existing exhibition capacity, by adding 10 000 m<sup>2</sup> of multi-purpose conference and exhibition space and almost 3 000 m<sup>2</sup> of formal and informal meeting space, the expansion will allow us to meet the growing demand to stage more events, offer more flexibility and host concurrent events and exhibitions of various sizes.

In addition, by allowing us to attract even more global associations and large, knowledge-based events, the CTICC expansion will enhance our contribution to expanding the city's, province's and country's expertise, knowledge and skills.

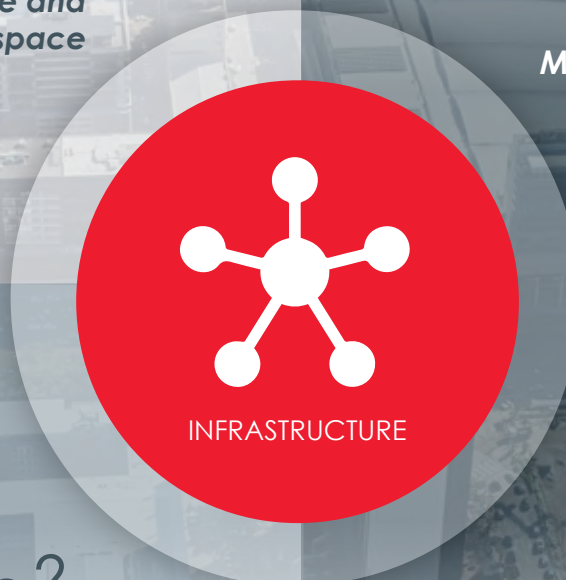
### The CTICC expansion at a glance

**10 000 m<sup>2</sup>**

***Of additional multi-purpose  
conference and  
exhibition space***

**3 000 m<sup>2</sup>**

***Of formal and informal  
meeting space***



***Multiple concurrent events***

***Greater flexibility***

***Sustained employment  
opportunities***

***Advanced Building  
Management System***

***Enhanced sustainability***



*CTICC East expansion  
well underway*







*“Education and skills transfer goes beyond merely training our staff. Significant time is also invested into knowledge sharing within the broader community.”*





# EDUCATION AND SKILLS TRANSFER TO ENABLE KNOWLEDGE DEVELOPMENT

## TRANSFORMING THE FUTURE THROUGH EDUCATION AND TRAINING

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***The CTICC's growth strategy is founded on the cornerstones of succession planning and implementation. Our vision is to develop and strengthen our employees by prioritising training so as to allow those employees to set and follow their chosen career paths.***

For us, training encompasses the four spheres of statutory, vocational, developmental, and values-based leadership. The training we offer across these spheres is delivered with a focus on leadership development, team building, change management, effective employee engagement and coaching. In addition to individual training, each of our teams are required to undergo at least one developmental initiative and relationship building session per year to foster collaborative, happy and productive teams.

In the year under review, we invested in a total of 3 639 hours of training for our permanent staff, which is a 235% increase over the 1 085 hours of training provided in the 2013/14 financial year.

In addition to this short-term training, we provided 31 staff members with 20 different forms of long-term training, equating to a total of 569 months.

75 hours of training were also provided to a total of 451 contract staff. This is over and above the daily on-the-job training that contract staff members receive.

In support of effective, ongoing staff training and education, the 2014/15 financial year saw the launch of the CTICC Resource Centre. The facility houses six internet-linked computers as well as a library of books – all of which are readily accessible to all our employees.

Education and training of key staff is a very important part of the implementation of various sustainability initiatives, particularly energy saving, which remains one of our key environmental focus areas.





*Youth Interpreter knowledge and skills exchange workshop*

## EXPANDING EDUCATION THROUGH INDUSTRY EXPERIENCE

The CTICC has long been respected as a vital contributor to training and skills transfer within the South African and international events and hospitality industries. In the year under review, we continued to build on this reputation, through a number of initiatives aimed at exposing promising young individuals to relevant experience that will enhance their employability in the sector. These workplace experience initiatives included the following:

### CTICC Graduate Programme

One of the key challenges facing South Africa's youth is the ability to gain experience and they very often find themselves in the ironic position of not being able to get a job as they don't have experience, but they cannot get experience because they cannot find a job. At the CTICC, we recognise this dilemma and believe we can help address it by employing youth with no, or very limited, experience and helping them to build the experience needed to gain valuable employment within the industry.

In May 2015, we launched our exciting new graduate programme, which is aimed at providing young people who have recently obtained relevant tertiary qualifications with practical work experience.

Our first three recruits on this innovative programme all possess SETA-approved qualifications that they earned within the past 24 months. Each of these graduates has received a one-year, fixed-term contract from us, during which time they will work according to a detailed employment programme to ensure that they get maximum industry exposure. On successful completion of their contracts, they will be able to apply for any relevant positions that may become available.

### CTICC Student Placement Programme

Our student placement programme offers students of local and international tertiary institutions the opportunity to gain on-the-job exposure within the events industry that will stand them in good stead when they eventually enter their careers.

During the period under review, we took in 12 students – 10 from local tertiary institutions and two internationals. The local students took up positions within the Banqueting, Kitchen, Procurement, Human Resources and Marketing departments.

The two international students from NHTV, University of Applied Science in Breda were studying International Real Estate and Facility Management. They were placed within our Facilities department.

All the students worked alongside our staff for the six months until the end of June 2015, gaining invaluable experience, after which they returned to their full-time studies. They were replaced by a new group of students in July and August 2015.

### CTICC Work Readiness Programme

In the 2014/15 financial year, the CTICC collaborated with the City of Cape Town to launch its first Work Readiness Programme. The centre hosted two individuals as part of the eight-week programme, which provided training, mentoring and work experience to unemployed individuals within the Western Cape. Participants are in possession of a matric certificate and are computer literate. They completed workshops covering: communications skills, writing skills, numeracy, literacy, project management and office etiquette.

## PROMOTING GROWTH AND EFFECTIVENESS THROUGH PERFORMANCE REVIEW

At the CTICC we view effective performance management as a central pillar on which a high performance, learning culture should be built. All our employees are therefore required to participate in quarterly performance reviews with their line managers at which their job description is discussed, their key performance criteria is agreed and their performance against those criteria is assessed. All CTICC employees also undergo two formal performance reviews per year.

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

All scheduled performance reviews were completed in the year under review and the results were used to inform annual employee bonuses and increases and to guide employees' ongoing learning and career development plans.



*Innovative technology to ensure service excellence*

## LEARNING EXCELLENCE FROM CUSTOMER FEEDBACK

Delivering exceptional customer experiences is a cornerstone of our success at the CTICC. As such, we use an independent company to constantly measure our customer satisfaction levels. The client surveys are undertaken on a monthly basis using face-to-face, telephonic and email interviews with hosts and attendees of all events hosted at the CTICC. The survey is designed to measure customer experience at every experience touch point, including:

- Audio-visual services
- Cleanliness of venue
- "Coffee on the Square" coffee shop
- Conference and exhibition services
- Cuisine – food and beverage
- Environmental sustainability
- Event Executives
- Event Service Managers
- Explanation of processes
- Finance process
- IT and telecommunication services
- Parking services
- Reception staff
- Safety and security
- Sales Executives
- Venue climate control
- Waitron service

For the year under review, we received an overall customer satisfaction index of 80%, which exceeds our targets set out in our agreed KPIs and is widely considered a very good score by global events and hospitality standards.

The results of these customer experience surveys are used to inform our ongoing training materials and interventions and to educate staff on the expectations of clients and visitors to the CTICC.





**LEVEL 2**

ROOF TERRACE  
2.35 SPEAKER PREP ROOM  
2.6 MEETING ROOMS  
2.4 MEETING ROOMS

**LEVEL 1**

AUDITORIUM 2  
1.7 MEETING SUITES  
1.6 MEETING ROOMS  
1.4 MEETING ROOMS

**LEVEL 0**

HALLS 2 & 3  
INTERACTIVE (POSTER) AREA  
AND EXHIBITION  
CTICC FOOD BARS AND  
DAY RESTAURANT  
MARIMBA RESTAURANT



19TH WORLD CONGRESS  
CAPE TOWN

24-29 AUGUST 2014



INFORMATION



INNOVATION

*"As a good corporate citizen, we place an absolute priority on putting sustainability at the centre of everything we do, and innovation is the fuel that drives the realisation of this commitment."*





# LEVERAGING INNOVATION FOR A KNOWLEDGE-RICH ECONOMY

## INNOVATING TO GROW OUR BUSINESS: CTICC AMBASSADOR PROGRAMME

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*Continued industry support is a vital component in our sustainable success. This is particularly true within the all-important international associations market, where networks and business connections are of utmost importance in terms of raising awareness of our global leadership position in the hosting of conventions and conferences.*

Launched in 2013, the CTICC Ambassador Programme is one of our key initiatives aimed at leveraging the power of professional networks and capitalising on the excellent relationships we enjoy with many influential and highly regarded global association representatives.

In the role of CTICC Ambassadors, these individuals are effective advocates for the CTICC and the success achieved by many of them in bringing association events to Cape Town and the CTICC is testament to the power of this innovative programme.





*Ambassador  
Inauguration*

The CTICC Ambassador Programme was launched in 2013, and is geared at raising the competitiveness of Cape Town as a sought after international association conference destination by tapping into the resources of Cape Town's academic, medical and scientific fraternities.

In the past financial year, we added another four Ambassadors to the programme, bringing the total number of CTICC Ambassadors to 19. They are:

## CTICC Ambassadors

**Dr Arifullah Ahmad**

Private Practice  
Claremont Dental

**Dr Evan Blecher**

Economics of Tobacco Control Project  
University of Cape Town

**Ms Hazel Bowen**

South African Association of Women Graduates

**Dr Joel Dave**

Private Practice  
Endocrinologist

**Dr Alan Davidson**

Faculty of Health Sciences  
University of Cape Town/ Red Cross War Memorial Children's Hospital

**Dr Peter de Jong**

Private Practice  
Netcare Christiaan Barnard Memorial Hospital

**Dr Catherine Draper**

University of Cape Town  
Medical Research Council and Sports Science Institute

**Dr Andy Effting**

Private Practice  
Hout Bay Dental Studio

**Dr Christopher Hugo-Hamman**

Private Practice  
Netcare Christiaan Barnard Memorial Hospital

**Prof Bongani Mayosi**

Faculty of Health Sciences  
University of Cape Town

**Prof Marc Mendelson**

Faculty of Health Sciences  
University of Cape Town

**Mrs Bulelwa Ngewana**

Cape Town Partnership

**Dr Llewellyn Padayachy**

Faculty of Health Sciences  
University of Cape Town and Red Cross War Memorial Children's Hospital

**Prof Raj Ramesar**

Faculty of Health Sciences  
University of Cape Town

**Mr Hein Stander**

South African Institution of Civil Engineers

**Dr Louwrens Swart**

Private Practice  
Mediclinic Louis Leipoldt

**Prof James Volmink**

Faculty of Health Sciences  
Stellenbosch University

**Sr Dee Waugh**

Private Practice  
Life Kingsbury Hospital

**Prof Patrick Woudt**

Faculty of Science  
University of Cape Town

## Building a robust forward book

The national and international events environment is incredibly competitive, and becoming more so every year as high numbers of conventions centres and niche event providers spring up across the globe. Against this backdrop, we work tirelessly to position ourselves, Cape Town, the Western Cape and South Africa as premier business tourism destinations. Key to our long-term

business sustainability is our ability to build and maintain a robust forward book, which we achieve primarily by winning bids for large international association conferences.

During the year under review, we built on our established success by securing 24 bids for international association meetings as listed in the table below:

### Bids secured by the CTICC

Name of conference	Date/Year	Delegates
The 11th International Conference on Responsible Tourism in Destinations (RTD11)	Apr 2015	120
Hydro2015	Nov 2015	350
IEEE Symposium Series on Computational Intelligence	Dec 2015	500
12th Symposium of the International Neurotrauma Society (INTS) 2016	Feb 2016	300
8th International NIR Workshop 2016	May 2016	130
Graduate Women International (GWI) 2016	Aug 2016	500
The 33rd International Pittsburgh Coal Conference	Aug 2016	400
34th World Congress of Endourology and SWL	Nov 2016	1 200
The 31st International Papillomavirus Conference in Cape Town	Feb 2017	1 500
RCOG World Congress 2017	Mar 2017	2 000
Open Education Global Conference 2017	Mar 2017	500
World Confederation for Physical Therapy Congress 2017	Jul 2017	3 500
24th International Meeting on Advanced Spine Techniques (IMAST) 2017	Jul 2017	1 000
The 25th Cochrane Colloquium	Oct 2017	1 000
XXVII SICOT Triennial World Congress	Nov 2017	2 000
29th International Texas Symposium on Relativistic Astrophysics	Dec 2017	500
17th World Conference on Tobacco or Health	Mar 2018	3 000
INSOL Cape Town 2019	Mar 2019	500
70th Annual Meeting of the International Society of Electrochemistry	Sep 2019	1 000
17th African Regional Conference of the International Society of Soil Mechanics and Geotechnical Engineering	Sep 2019	300
XXXVII International Congress of Ophthalmology	Jun 2020	15 000
International Seed Federation: World Seed Congress 2020	Jun 2020	1 500
The 17th International Heat Transfer Conference (IHTC – 17)	Aug 2022	1 200
76th Congress of the International Fiscal Association	Oct 2022	2 000

## Preparing to expand our value

The CTICC expansion is well underway and, already, we have seen significant interest in our expanded facilities and services from prospective national and international clients. We have already won our first international bid in this regard, and will host the World Ophthalmology Conference in 2020. This event will see both CTICC West and East simultaneously occupied by 15 000 delegates.



**24**  
Bids secured for international  
association meetings



## NURTURE OUR WORLD (NOW)

For us at the CTICC, sustainability in all its forms – economic, social and environmental – is more than a moral or reputational requirement; it is a strategic business imperative. As a good corporate citizen, we place an absolute priority on putting sustainability at the centre of everything we do. And innovation is the fuel that drives the realisation of this commitment.

This innovation-driven sustainability commitment is encapsulated by our Nurture Our World (NOW) initiative. The NOW team comprises representatives from all our departments and is chaired by the General Manager: Commercial & Business Development. This innovative team is mandated 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 sustainability leader in its industry; and
- ensure the effectiveness of our efforts to minimise our negative environmental impacts while maximising the positive contribution we make to a sustainable future for society and the environment.



we are a green conscious convention centre



INNOVATION

*“For us at the CTICC, sustainability in all its forms - economic, social and environmental - is more than a moral or reputational requirement; it is a strategic business imperative.”*



*Conservatories and day  
restaurants flooded with  
natural light and indigenous flora*





### 16 Days of Activism Campaign

The 16 Days of Activism campaign aimed to raise awareness with governments, NGOs, CBOs and other stakeholders of the need to end gender violence. Awareness collateral was displayed around the CTICC and on our website. Red and white ribbons were distributed to staff and internal and external communication was sent out during this campaign.

### National Arbour Week and Heritage Month

In commemoration of Heritage Month and Arbour Week, we curated an event with input from Cape Town Partnership and South African National Biodiversity Institute (SANBI). The event consisted of a short presentation on the history of trees in Cape Town's City Bowl, and a networking session in the CTICC's Jasminium conservatory, followed by a tree walk through the Cape Town CBD.

### Responsible Travel Week

To encourage responsible travel, a sustainability infographic was developed and distributed to staff, and was displayed on internal and external platforms.

### World Food Day

The 2014 World Food Day was a global initiative to raise the profile of family and subsistence farming. Vegetable seeds were handed out to staff members, accompanied by information on World Food Day and subsistence farming.

# CTICC supports EARTH HOUR

## Earth Hour

This global awareness event around responsible energy use occurred during the Cape Town International Jazz Festival at the CTICC. In light of this, we could not participate fully, but displayed awareness collateral on the reception screen during Earth Hour and on social media.



In the year under review, the NOW team was responsible for developing and initiating a number of innovative sustainability activations, aligned with national and international sustainability events, and aimed at raising awareness of important social and environmental issues and challenges. Some of these initiatives are outlined here.

## Transport Week Campaign

For a week, we raised awareness around sustainable transport and incentivised staff and patrons by providing tokens to claim delicious rewards from “Coffee on the Square”. This was combined with an online awareness campaign.

## Earth Day

Awareness collateral was distributed to staff and on social media.

## National Water Week

National Water Week aims to raise awareness around the importance of responsible water custodianship. In line with this, awareness collateral was displayed on internal and external CTICC platforms, and staff members were involved in a CSR activity at Abalimi Bezekhaya gardens in Khayelitsha aimed at making a food garden more water efficient.



## INNOVATING TO REDUCE WASTE

We are committed to the effective use of resources and the reduction of waste. The first step in delivering on this commitment is to reduce waste generation by applying best practices in eco-procurement. To this end, preference is given to suppliers who provide reusable and recyclable products rather than disposable items.

On-site recycling is another critical aspect of our waste management process, with separation into three categories taking place at source as far as possible. The categories are recyclables (plastic, paper, cardboard, glass, metals and other recyclable items), organic produce (left over food) and waste to landfill.

Both hazardous and non-hazardous waste streams are monitored by type, volume and disposal method and disposed at certified waste disposal facilities. This is to ensure consistency, compliance and comparability. Some of our recent innovations in terms of effective waste management have included the following:

- A bar-coded waste management system for live monitoring
- A three-bin, colour-coded waste system in all areas
- Donation of exhibition materials to CTICC community partners when possible
- Bokashi composting of wet waste
- Separation and safe disposal of electronic waste and printer cartridges
- Recycling of oil waste by an external contractor
- On-site fluorescent lamp crusher
- Safe storage and disposal of hazardous chemical substances in line with Material Safety Data Sheets (MSDS)
- Access to universal spill kits for oil, water, coolants and solvents and appropriate staff training for use of these kits

In the 2014/15 financial year, the CTICC diverted 84.3% of waste from city landfill – much of it as a result of various recycling initiatives. This is consistent with the figure achieved in the previous financial year and significantly up on the 30% achieved in the 2012/13 financial period, at which time we had not yet instituted our barcoded waste management system or composting initiative for wet waste.

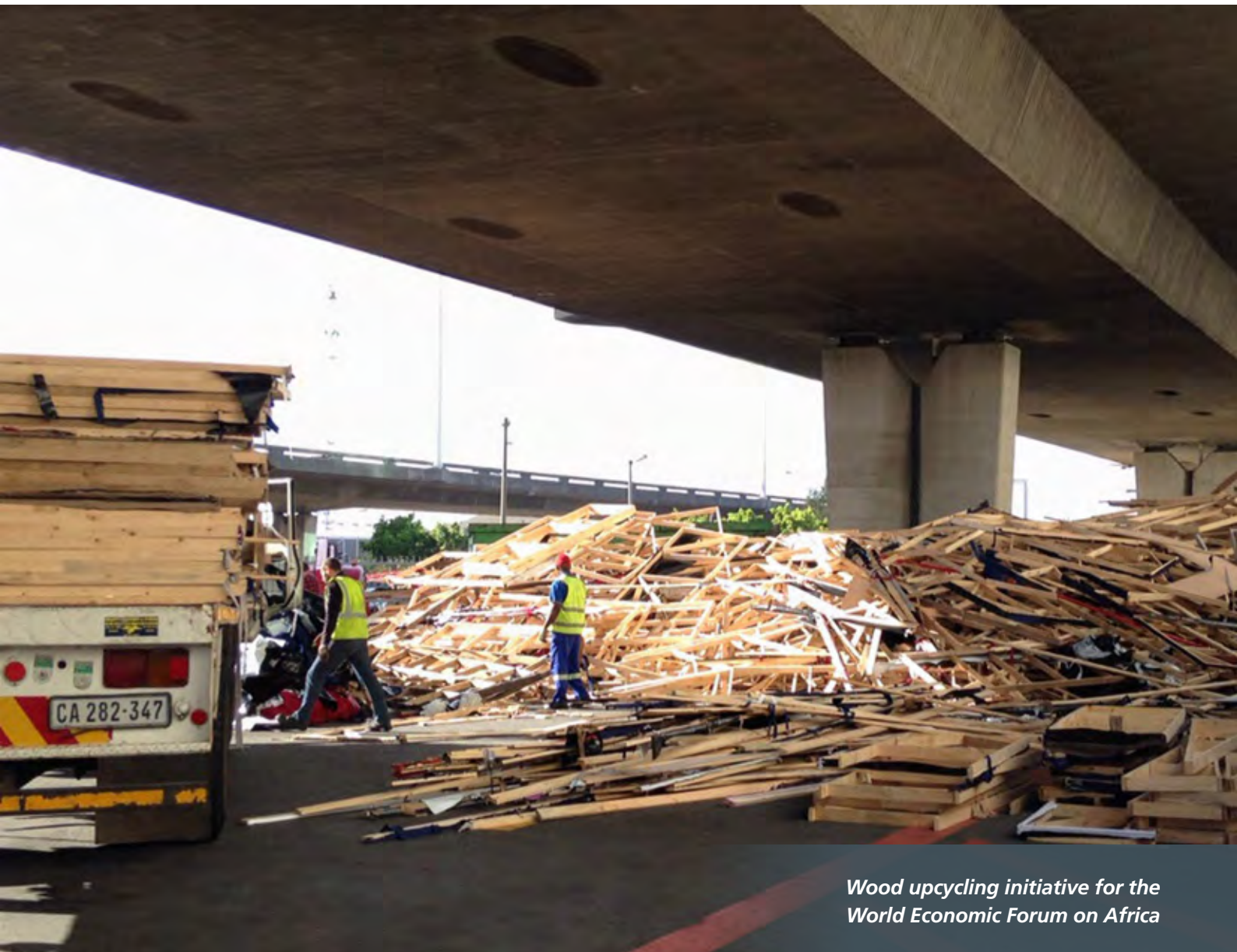
The table below shows the total amount of waste generated in metric tons, in comparison to the previous years. The steady increase in waste-to-landfill diversion is clear over the previous three years, although compostable waste reduced in the last year.

The steady increase in waste volumes generated by the CTICC and our clients highlight the need for ongoing collaboration with all of our stakeholders to enhance shared efforts to maintain high landfill diversion rates, mainly by encouraging more recycling, upcycling and greater efficiency in the use of resources and materials.



### Waste generated at the CTICC in metric tons

Description	2014/15	2013/2014	2012/13
Paper and board	39.02	53.82	56.45
Glass	25.58	23.83	35.52
Plastics	12.25	21.71	24.82
Metals	6.63	11.42	9.78
Mixed recyclables	412.20	225.25	0
Landfill	102.72	74.50	309.78
Recyclables	495.68	345.67	126.57
Hazardous	0.30	0.40	0.60
Compostables	54.74	67.83	4.10
Total	653.44	488.40	441.05
% of total waste diverted from landfill	84%	85%	30%



*Wood upcycling initiative for the World Economic Forum on Africa*

### A waste management success story

Much of the CTICC's waste generation comes from the materials produced by clients. As such, we encourage exhibitors to donate their unwanted stand building materials to community organisations.

In order to further promote this, we carried out a pilot waste project for the World Economic Forum on Africa (WEF) event to reduce waste volumes, as well as divert waste from landfill. The initiative was undertaken in collaboration with the Western Cape Industrial Symbiosis Programme (WISP), delivered by GreenCape. The World Economic Forum took place from the 3-5 June 2015 at the CTICC, and incorporated the Grow Africa Summit.

Focusing on separation of recyclable from non-recyclable and compostable waste, as well as "upcycling" valuable waste such as wood, the project was a trial run for a concerted effort toward enhancing our triple bottom line effectiveness.

The project was an overwhelming success by three major counts:

1. The event achieved an 83% diversion from landfill rate.
2. This diversion is predicted to create an estimated economic spin-off of more than R200 000 for waste solution providers (and thus the Western Cape economy).
3. The client was extremely satisfied with the result, and even requested that the learnings from the initiative be shared with the organising committee of the main WEF in Davos to assist them to obtain their ISO 20121 (Sustainable Events Management) certification.

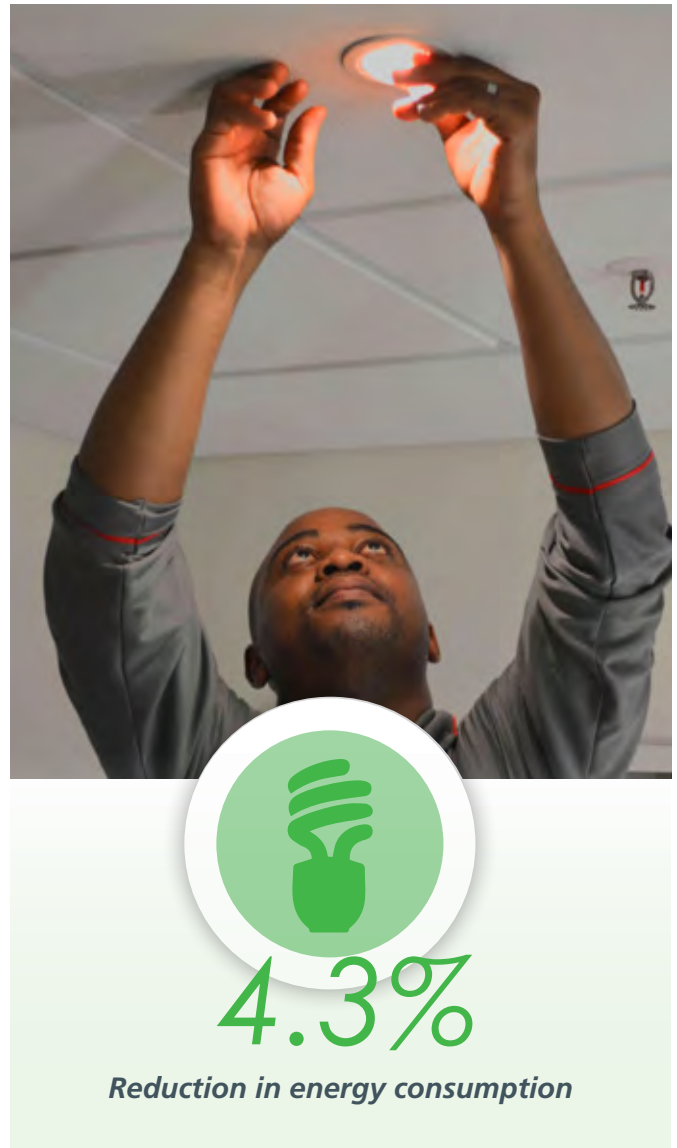


## INNOVATING TO SAVE ENERGY

In line with our commitment to being a responsible energy consumer, we have set ourselves an energy saving target of 2% per year. In 2014/15 we far exceeded this target by achieving a year-on-year indirect energy reduction of 4.3%. This represents an incredible achievement of more than 200% ahead of target.

Below are some of the initiatives that we implemented in the period under review to deliver this saving:

- We use an energy consumption recording system called Schneider Electronic PowerLogic ION Enterprise. This system focuses on recording data for analysis by the electrical team in the Operations department. There are currently 115 meters recording data around the building and this data is compared to the actual utility bill data capturing system to enable reporting on the impacts that energy saving initiatives are having.
- The electrical and air-conditioning/refrigeration teams contribute to responsible energy usage via constant monitoring of, and improvements to, the three main building control systems namely Johnsons Controls (Metasys), Tracer Summit (Trane) and Schneider Electric (Tac Vista).
- Metasys is the main control system for the air handling units that supply the venues with fresh, cooled or heated air depending on client requirements. This system works in conjunction with the chiller plant control system Tracer Summit that supplies it with chilled water for cooling. These two systems control every aspect of the air-conditioning in the building. Good management, monitoring, maintenance, new technology implementation and scheduling ensure that these systems run as efficiently as possible.
- Event scheduling is an important consideration in energy consumption control. During build-up and strike periods, lighting and climate control is reduced, but still maintained at safe and comfortable working levels.



*Energy efficiency*





## INNOVATING TO SAVE WATER

Our water supply is provided by the City of Cape Town, as part of its municipal water supply. During the year under review, the CTICC used a total of 41 488 m<sup>3</sup> of water, representing a pleasing 4% reduction from the previous year.

### Water usage by the CTICC

Year	Kilolitres water	Saving
2014/2015	41 488	-4%
2013/2014	43 394	1%
2012/2013	43 032	-13%

Being a responsible water consumer, we proactively monitor and manage our water consumption and report on the findings as standard business practice. There are water meters in place to monitor key areas of water consumption in the building. This information is used to foresee water leaks and possible problems in these specific areas.

The following initiatives have been implemented to reduce water consumption:

- A reduction in water consumption was realised through the refurbishment of the main heat exchange (cooling towers for the chiller plant).
- Water usage was also reduced as a result of an undertaking to close the irrigation water mains during the winter months. This scheduling of water use will be implemented as standard practice.
- Toilet bowl volumes were reduced from nine litres to six litres in test bathrooms to assess the amount of water saved. This is still in testing phase and initial results are expected by the end of August 2015.



# 4%

*Reduction in water usage*

*Professional and  
customer-centric staff*





## INNOVATING TO REDUCE EMISSIONS

At the CTICC we utilise Greenhouse Gas (GHG) Protocol to calculate our GHG emissions. While our main source of emissions remains electricity consumption, the following elements are included in our carbon footprint measurement:

- 1. Fuel consumption (scope 1)** – based on fuel litres purchased.
- 2. Electricity consumption (scope 2)** – based on total kWh consumption from meter readings.
- 3. Staff transport (scope 3)** – based on distance travelled for flights and vehicle transport provided by the CTICC for employees requiring transport after hours.

### Three-year comparison of GHG emissions\*

Scope 1		2014/15	2013/14	2012/13
Petrol	Vehicle	2.7	4.5	4.9
Diesel	Stationary combustion	7.4	0	0
Scope 2				
Electricity	Electricity	9318.2	9734.2	9466.9
Scope 3				
Flights	Short haul flights	8.2	14.4	11.09
Flights	Long haul flights	35.1	36.3	26.19
Vehicles	Staff transfers	34.4	19.7	no data
<b>Total ton CO<sub>2</sub>eq</b>		<b>9406.1</b>	<b>9809.2</b>	<b>9509.0</b>

\*Measured in tons CO<sub>2</sub>eq.

### Reducing emissions due to transport

In September 2014, we carried out a Transport Modes Survey to obtain a clear picture of the ways in which staff and service providers commute to our building. The survey was run online for five working days and all staff and main service providers were invited to participate. A total of 83 employees and service providers took part.

Based on this study, single-person car usage appeared to be the most popular form of transport, with 46% of people using this for their daily commute. In order to reduce this amount, a Green Travel Plan has been integrated into the overarching NOW Action Plan. This transport plan encourages the use of public transport, carpooling, cycling to work, and discourages single-person car usage.

A total of 30 undercover bicycle parking bays have been provided for guests and staff as part of the effort to encourage non-motorised transport within the city centre. In addition, 10 more secure bicycle parkings were put in place following feedback received from cyclists. The centre is easily accessible via public transport, and a MyCiTi bus stop is situated in front of the conference venue, allowing easy access for visitors via public transport and connects to the Cape Town International Airport.

In addition to the emissions caused by our employees' use of own motorised transport, the environmental impacts of transporting

### Total emissions

The factors below are used when working out GHG contributions, based on GHG protocols:

#### GHG calculation factors

Petrol	2.2480472	kg/litre
Diesel	2.676492	kg/litre
Electricity	0.98378	kg/kwh
Short haul flights	0.09245	kg/km
Long haul flights	0.08263	kg/km
Vehicles	0.2994	kg/km

Based on these factors and the parameters of scope 1 to 3, our total carbon footprint for the year is calculated at 9 406.1 tons CO<sub>2</sub>eq. This is 403 tons CO<sub>2</sub>eq less than the 9 809.2 tons CO<sub>2</sub>eq of the previous financial year, which represents a 4.1% year-on-year saving and a decrease of 13.9% when compared to the 2011/12 baseline year.

members of our workforce comprise GHG emissions from staff transport (provided for employees working outside of normal office hours) and staff flights for business travel.

In the year under review, total emissions due to transport increased slightly. This was mainly due to the increased demand for staff transport and a greater overall number of kilometres travelled by key managers on long-haul business flights. The latter was, however, balanced by a reduction in short-haul flights over the same period.

More accurate information was also received from external service providers regarding emissions from staff transport in vans in comparison to previous years.

### CTICC emissions from transport

Staff transport	2014/15	2013/14
Vehicle kms	114 780	65 800
Flight kms	513 380	595 555
GHG emissions: vehicles	34.4	20
GHG emissions: flights	43.3	50.7
<b>Total ton CO<sub>2</sub>eq</b>	<b>78</b>	<b>71</b>

*New bicycle parking in P3*





## INNOVATING TO HELP OUR STAKEHOLDERS ON THEIR SUSTAINABLE JOURNEYS

As a global convention centre with an enviable sustainability reputation, we acknowledge and embrace our responsibility to leverage our experience to influence and enable the sustainability journeys of our stakeholders – particularly clients.

We also encourage event organisers to discuss ways to mitigate their carbon footprint and strive to partner with them in achieving this. A green events checklist is included in our events marketing collateral to create more awareness around the importance of event greening. This checklist is also available on our website, along with answers to commonly asked questions about sustainability.

The development of green event packages is a significant way in which we deliver on this responsibility. Until December 2013, our clients had the ability to choose between our green or standard Day Conference Package (DCP). As of January 2014, however, all DCPs include sustainable elements as standard components.

These include:

- Recycled/sustainable conference stationery (notepads and pens).
- Procuring locally produced food such as Fair Trade Coffee and all fish products from the SASSI green list.
- A multi-bin system to encourage recycling with separation at source.
- Water that is bottled on-site by means of the Vivreau system in reusable glass bottles or jugs.
- Natural light in venues, wherever practical.

Also, for each Full Conference, Half Conference, Full English or Continental Breakfast Package sold, we contribute R5.00 per delegate to the Nurture Our World (NOW) Fund. These funds are then used to support our four local community partners.



# 100%

***Of CTICC Day Conference Packages include sustainable elements***

## Waste Room







***“The board places a strong emphasis on maintaining high standards of financial management, accounting and reporting...”***



**EDUCATION**





# GOVERNANCE, COMPLIANCE, RISK MANAGEMENT AND STAKEHOLDER ENGAGEMENTS

## Governance commitment

The Convenco Board (the 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 has an experienced and stable Board of Directors, which directs, governs and is in effective control of its business. The board is ultimately responsible for determining the strategic direction of the Company through the establishment of strategic objectives and policies. The Company has a unitary board structure, with 12 non-executive directors and two executive directors, being the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Mrs Julie-May Ellingson was appointed as CEO on 1 September 2014. The roles of Chairman and Chief Executive Officer are separate. The Chairman is a non-executive director.

There are currently two vacancies on the board; one to be filled by the City of Cape Town and one to be filled by a person nominated by SunWest International (Pty) Ltd.

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

## Changes to the board

Dr Stewart Fisher retired by rotation at the previous Annual General Meeting of the Company held on 21 October 2014. Mrs Ellingson TRP (SA) was appointed as Chief Executive Officer of the Company on 1 September 2014. Mr Gary Fisher resigned as Chairman of the Company and was replaced by Mr Boraine on 20 March 2015. Mr Boraine will hold the position until the next Annual General Meeting.

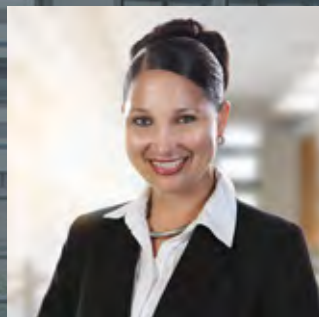




*Andrew Boraine*



*Julie-May Ellingson*



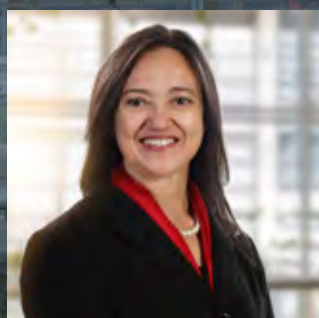
*Ruwaida Eksteen*



*Gary Fisher*



*Solly Fourie*



*Ethel Hamman*



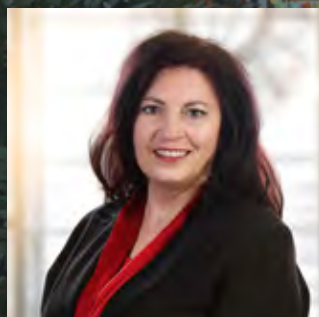
*Barry Lodewyk*



*Guy Lundy*



*Aklaaq Mahmood*



*Sharon Myburgh-De Gois*



*Fairoza Parker*



*Henning Taljaard*

***“The Company has an experienced and stable Board of Directors, which directs, governs and is in effective control of its business.”***

## DIRECTORATE AND ADMINISTRATION

for the year ended 30 June 2015

### Directors

#### AM Boraine

Chairman

Non-executive

Appointed: 17/10/2006

#### J Ellingson TRP (SA)

CEO Executive

Appointed: 01/09/2014

#### RSH Eksteen

Non-executive

Appointed: 16/02/2014

#### GM Fisher

Non-executive

Appointed: 22/11/2011

#### SA Fisher (Dr)

Non-executive

Appointed: 09/02/2007

Retired by rotation: 21/10/2014

#### SW Fourie

Non-executive

Appointed: 22/11/2011

#### EI Hamman CA (SA)

Lead Independent Director

Non-executive

Appointed: 20/04/2013

#### BJ Lodewyk CA (SA)

Non-executive

Appointed: 20/04/2013

#### GJ Lundy

Non-executive

Appointed: 20/04/2013

#### AA Mahmood

Non-executive

Appointed: 20/04/2013

#### S Myburgh-De Gois

Non-executive

Appointed: 16/02/2014

#### F Parker CA (SA)

CFO Executive

Appointed: 16/10/2012

#### HJ Taljaard

Non-executive

Appointed: 05/07/1999

### Board committees

#### Audit and Risk Committee

B Lodewyk CA (SA) (Chairman)

EI Hamman CA (SA)

SW Fourie

AA Mahmood

#### Human Resources and Remuneration Committee

HJ Taljaard (Chairman)

AM Boraine

BJ Lodewyk CA (SA)

GJ Lundy

#### Nominations Committee

AM Boraine (Chairman)

RSH Eksteen

SW Fourie

#### CTICC Expansion Committee

AM Boraine (Chairman)

GM Fisher (Vice-Chairman)

J Ellingson TRP (SA)

GJ Lundy

S Myburgh-De Gois

HJ Taljaard

#### Social and Ethics Committee

EI Hamman (Chairman)

J Ellingson TRP (SA)

RSH Eksteen

AA Mahmood

### Administration

#### Company Registration Number

1999/007837/07

#### Registered Office

Convention Square

1 Lower Long Street

Cape Town

8001

PO Box 8120

Roggebaai 8012

#### Company Secretary

MM Thirion

Appointed: 01/08/2006

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





*Convention Bureau stakeholder engagement*

## Board compensation and performance

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

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

## Conflicts of interest

To avoid conflicts of interest the board members are required to disclose their other directorships in writing on a quarterly basis and it is included as a standard item on the agenda of all board meetings.

## Internally developed vision, mission and values

The Company has a clearly defined mission, vision and values, codes of conduct and various Company policies which deal inter alia with economic, environmental and social performance. The implementation of which is monitored by the Company's various committees and reported annually to the shareholders.

## Board evaluation

Evaluation of the performance of the Board of Directors is conducted annually through self-evaluation, based on the King III requirements. The performance of the Chairman and members

of the various committees are also assessed. The purpose of 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 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

The Audit and Risk Committee is constituted as a statutory committee of the Company in respect of its statutory duties in terms of section 94(7) of the Companies Act and as a committee of the board in terms of all other duties assigned to it by the board.

The committee currently comprises four independent non-executive directors, all of whom are suitably skilled, competent and experienced. The CEO, CFO and other members of the Company's executive management team attend meetings of the committee. Both the internal and external auditors have access to the committee and are invited to attend committee meetings.

The committee reviews the adequacy and effectiveness of: the financial reporting processes; accounting practices; management information systems; the system of internal controls; the management of financial, investment and operational risks; the internal and external audit processes; and compliance with laws and regulations. The committee makes submissions to the board regarding accounting policies, financial control, records and reporting. As the Company does not have a separate Risk Committee, the Audit Committee also oversees the risk management process and monitors the implementation of the CTICC's risk management plan and risk register, which is reviewed by the board quarterly.

The committee meets at least quarterly.



*Farewell for Aage Hansen,  
former General Manager for  
Operations and Food & Beverage*

## Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee comprises four non-executive directors and meets at least twice a year for the purpose of reviewing annual salary increases, bonus incentives and the Company's remuneration strategy. The committee's meetings are attended by the CEO and CFO of the Company. The Director: Shareholding Management of the City of Cape Town is also invited to attend meetings.

## Nominations Committee

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

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

The committee met twice 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.

## Expansion Committee

The Expansion Committee has been mandated by the board to oversee all aspects of the CTICC's planned expansion. The committee currently comprises the chairperson of the board, four non-executive directors and the Chief Executive Officer of the Company. The former Chairman of the Company is the Vice Chairman of this committee. Members of the Company's executive management team also attend meetings of the committee. The committee meets as and when necessary. It met six times during the year.

## Social and Ethics Committee

The Social and Ethics Committee currently comprises three non-executive directors and the Chief Executive Officer. The committee's role is to monitor the Company's activities, having regard to relevant legislation, other legal requirements and/or prevailing codes of best practice, 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 Company's 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.



## Details of Convenso Board composition

Independence													
	Surname	First name	Date of appointment	Female	Male	African	Coloured	Indian	White	20 – 30	31 – 40	41 – 50	Above 50
(*)	<b>Boraine</b>	Andrew Michael	17 October 2006		•				•				•
(*)	<b>Eksteen</b>	Ruwaida Suzette Heidi	16 February 2014	•			•				•		
#	<b>Ellingson</b>	Julie-May	01 September 2014	•					•			•	
	<b>Fisher</b>	Gary Morton	22 November 2011		•				•			•	
	<b>Fourie</b>	Solly William	22 November 2011		•		•						•
*	<b>Hamman</b>	Ethel Irene	20 April 2013	•			•					•	
*	<b>Lodewyk</b>	Barry Joseph	20 April 2013		•		•					•	
*	<b>Lundy</b>	Guy Jonathan	20 April 2013		•				•			•	
*	<b>Mahmood</b>	Aklaaq Ahmed	20 April 2013		•			•				•	
(*)	<b>Myburgh-De Gois</b>	Sharon	16 February 2014	•					•				•
#	<b>Parker</b>	Fairoza	16 October 2012	•				•			•		
*	<b>Taljaard</b>	Henning Jeremias	05 July 1999		•				•				•
<b>Total</b>				<b>5</b>	<b>7</b>		<b>4</b>	<b>2</b>	<b>6</b>		<b>2</b>	<b>6</b>	<b>4</b>

\* = independent non-executive

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

# = executive

## Details of Directors' meeting attendance 1 July 2014 – 30 June 2015

Name of Director	Board	Audit & Risk Committee	HR & Remuneration Committee	Nominations Committee	Social & Ethics Committee	Expansion Committee	Ad Hoc Committees
Total number of meetings	<b>5 Meetings</b>	<b>4 Meetings</b>	<b>6 Meetings</b>	<b>2 Meetings</b>	<b>3 Meetings</b>	<b>6 Meetings</b>	<b>1 Meeting</b>
<b>AM Boraine</b>	5		4	1			1
<b>S Myburgh-De Gois</b>	4					5	
<b>RSH Eksteen</b>	5			2	2		
<b>GM Fisher</b>	5		2	2	2	5	
<b>SA Fisher (Dr)</b>	1	1				2	
<b>SW Fourie</b>	3	2					
<b>EI Hamman</b>	4	1			3	3	
<b>BJ Lodewyk</b>	4	4	6				
<b>GJ Lundy</b>	5		4			3	
<b>AA Mahmood</b>	4	2			2		
<b>F Parker</b>	5	4	5			6	
<b>HJ Taljaard</b>	5		6		1	5	1
<b>J Ellingson</b>	4	3	5	1	2	6	

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

*Harnessing stakeholder relationships*

## 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 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.

### 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. To this end, a risk identification and management process has been put in place. 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.

### 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.

### IT governance

The board recognises that information technology (IT) is an integral part of the Company's business. IT impacts all aspects of the organisation and is not only an operational enabler to the Company, but a strategic business imperative. The board is aware of the risks associated with IT and, while the IT support function is currently outsourced, the Company has during the period under review appointed a suitably qualified in-house ICT Manager.





*Audit and Risk Committee*

## RISK MANAGEMENT REVIEW

### Risk identification and management

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 measures. This is ultimately overseen by the Audit and Risk Committee to ensure that it is dealt with at the highest level.

### Proactive risk management

The Audit and Risk Committee has the responsibility to monitor the risk management by the Company, while the board places a strong emphasis on proactive risk management within the Company. 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. There is a separate risk register regarding the CTICC East expansion, which is closely monitored by the Expansion Committee.

### Customer health and safety

The CTICC has outlined key goals and objectives with regards to customer health and safety through its Integrated Management System (IMS). The IMS comprises of four international standards namely ISO 9001, ISO 14001 and ISO 18001 and Hazard Analysis and Critical Control Points (HACCP). These outline the tangible objectives and key performing areas that have been designed to encourage continuous improvement throughout the venue in terms of health and safety. Evaluating performance of these goals is carried out annually: the CTICC is audited once per year and re-assessed once every three years.

The CTICC has a Health and Safety Policy, which is part of its IMS. This is reviewed once per year and is applied internally in order to ensure that key systems with regards to health and safety are maintained. The CTICC's Integrated Management System Policy Statement is available on the Intranet or on request.

Customer health and safety is championed by the Safety and Security Manager, who is supported by the Health and Safety Committee and a group of fire-fighting representatives. The entire staff contingent is briefed on pertinent health and safety matters during a staff induction process.

Health and Safety Committee representatives, as well as fire-fighting representatives, undergo training and are appointed for a period of two years. The entire organisation undergoes practical bi-annual disaster and emergency sessions. These include fire drills, which require the participation of the entire organisation.

### Compliance with health and safety standards

As a convention centre, the CTICC is host to a range of different events, and also provides food and beverage services. The CTICC, in addition, appoints preferred suppliers for all audio-visual, information technology and build-up services. These suppliers are all compliant with relevant health and safety skills.

The CTICC's main products include event-related services, venue hire and food and beverage services. As such, the CTICC maintains high standards of health and safety throughout the life cycle of these products.

Life Cycle Stage	Yes	No	Motivation
<b>Development of product concept</b>	✓		With every event, safety is paramount and gets considered at every step of the planning and development of the event, from layout, staff induction, and construction – all in order to comply with local legislation.
<b>Certification</b>	✓		The CTICC is accredited in ISO 9001, ISO 14001 and OSHAS 18001. Certification audits take place annually with an external auditor.
<b>Manufacturing and production</b>	✓		The CTICC maintains and complies with HACCP (Hazard Analysis and Critical Control Points) standard in the manufacturing and production of food for events. The centre is audited yearly and all staff members are trained to HACCP and safety standards.
<b>Storage and distribution supply</b>	✓		Safety is considered as part of the supply chain and managed in accordance with ISO 9001 and 18001.
<b>Use and services</b>	✓		The CTICC has a low incident record, and is well known for maintaining high health and safety standards.
<b>Disposal, reuse or recycle</b>	✓		The CTICC maintains a thorough waste-management system and requires its event organisers to submit a waste management plan in accordance with City by-laws. Recycling and Landfall Certificates are issued and waste disposal is accurately recorded.

Based on the above, as well as the CTICC's compliance with international ISO standards, all (100%) of the CTICC's significant products and services are assessed for compliance with health and safety procedures and standards on an ongoing basis through regular internal checks and external audits.

During the year under review, the CTICC employed a Safety and Security Manager in order to champion health and safety issues within the organisation.

## Occupational health and safety

The Occupational Health and Safety Act and Regulations 85 of 1993 lay down clear guidance in relation to the management of health and safety in the workplace. Section 8 of this act, in particular, deals with the "general duty of employers to their employees" and this is basis of managing safety in the workplace.

Based on this act, the CTICC has a Safety Policy, summarising how the centre manages health and safety in the workplace. This is shared and freely available for all staff members. Safety is embedded in the CTICC's working culture and considered at every point; from recruitment, safety induction, uniforms and personal protective clothing through to the job task analysis and risk assessment of every role and method of work. These practices

are audited as part of the Integrated Management System for ISO standards and in particular the OSHAS 18001.

In addition, the CTICC has an established Health and Safety Committee with elected members who meet once every quarter. All departments are represented and safety issues are discussed and recorded. Minutes of these meetings are available to staff.

The CTICC has dedicated First Aid and Fire Fighting Committees. These teams assist the Safety and Security Manager with carrying out the Health and Safety duties at the centre.

Committee	Amount of Employees	% represented
First Aid	22	15%
Fire Fighting	8	5%
Health and Safety	9	6%
<b>Total</b>	<b>39</b>	<b>26%</b>





*CTICC Annual General Meeting Press Conference*

During the year under review, the CTICC had a slightly larger occurrence of injuries on duty, resulting in a higher injury rate of 8.91 per 100 employees over 200 000 hours.

The injuries resulted in a total of 125 lost days, which represents a sharp increase in the lost day rate from 0 per 100 employees in the previous year to 79.59 per 100 employees over 200 000 hours in the financial year under review. This apparent significant increase is, however, mainly as a direct result of a single injury that resulted in the affected staff member being off work for a number of months.

No occupational diseases were reported, so the occupational disease rate was zero.

During the year under review, 267.5 absentee days, including legal sick leave, were reported. This resulted in an absentee rate of 0.0068 per 100 employees over 200 000 hours.

During the year under review, no education, training, counselling, prevention and risk-control programmes with regard to serious diseases, were carried out.

## Climate change risks

Climate change has no direct impact on the financial performance and financial position of the CTICC, however it may have indirect consequences related more to international conferencing. This is considered a low risk as the Company has a revenue mix comprising both local and international markets. The primary risk to the centre in terms of food insecurity and any possible breakdown of food systems as a result of global warming, drought, or flooding relates mainly to the possible increase this could have on food input costs.

## Responsible business commitment

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.

## Health and safety compliance

All events at the CTICC have to comply with various health and safety legislation, ranging from the Occupational Health and Safety Act to a number of City of Cape Town by-laws. In addition, clients utilising the CTICC's facilities are required to produce certificates of compliance for all electrical connections, rigging, plumbing and gas installations.

Structural engineers are also required to certify all custom-built stands, stands higher than three metres, or any structure identified by the appointed Safety Officer. The appointed Safety Officer must maintain an on-site safety file on behalf of the client. All compliance documents and permits need to be recorded in the on-site safety file and be available for inspection by the CTICC or local municipality.

Through compliance with the above standards, as well as ISO standards, the CTICC ensures that its product goes above and beyond the requirements for safety in an international convention centre.



CTICC National Conference Week

## ETHICS REVIEW

The 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.

### Countering corruption

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

The Fraud Policy applies to any actual or suspected fraud, corruption, theft or irregularities of similar nature, involving any CTICC employee. 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.

To support good governance, the CTICC has a Declaration of Interest procedure in place, where employees declare all gifts exceeding the value of R350.00. Only gifts involving a monetary value of less than R350.00 may be accepted from suppliers, clients or third parties. The acceptance of a gift by any employee of the CTICC of a value exceeding R350.00 shall be subject to

the approval of the CEO. Such approval may only be granted in exceptional circumstances where it would be inappropriate or impossible to refuse the offered gift.

The CTICC also has a Fraud and Whistleblowing Policy in place. The policy applies to any actual or suspected incidents of fraud, corruption, theft or irregularities involving any CTICC stakeholders (employees, board members, customers, suppliers etc.). In the event that the Chief Executive Officer or the Chairman of the Audit and Risk Committee is the subject of the complaint, or if a particular concern is better raised in writing, such complaint may be sent to the CTICC's anonymous online reporting platform.

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





*CTICC Control Room*

## Anti-corruption training

For the year under review, 12 employees (including senior managers), were enrolled in a formal qualification: Minimum Competency Training: Governance and Legislation at the University of Stellenbosch: School of Public Leadership.

## Anti-competitive behaviour

The CTICC does not support anti-competitive behaviour and believes that true excellence in business is achieved through healthy competition.

## Ethical investment and procurement practices

As part of its commitment to helping end human rights abuse, the CTICC has changed its procurement strategy to only conduct business with service providers that render services in alignment with approved industry norms and standards as follows:

- Security services – Private Security Industry Regulatory Act (PSIRA)
- Cleaning services – Department of Labour – Sectorial Determination 1: Contract Cleaning sector
- Hospitality workers – Department of Labour – Sectorial Determination 14: Hospitality sector

This ensures that workers are receiving the minimum basic allowance for work rendered, as well as that fair labour practices are enforced. Compliance to labour law legislation is also mandatory which prohibits unfair labour practices.

## Non-discrimination

The CTICC subscribes to the national Broad Based Black Economic Empowerment (BBBEE) strategy, which aims to distribute wealth across as broad a spectrum of previously disadvantaged South African society as possible. The CTICC is a level 2 BBBEE contributor.

## Child, forced and compulsory labour, and indigenous rights

Fair labour practices and human rights principles are implemented at the CTICC and have been included into the procurement of contractors and sub-contractors as outlined in the section on procurement practices.

## Human rights training

During the year under review, eight CTICC employees (5.3% of total permanent staff) received a total of 16 hours of formal training in the CTICC's policies and procedures on human rights issues.

The CTICC directly employs one person to manage safety and security and oversee the external security contractors. This individual is trained on all policies and procedures relating to the Company and the relevant aspects of human rights. The outsourced security services at the CTICC are governed by a comprehensive Service Level Agreement (SLA). This requires that all security personnel are trained and licensed as per the Private Security Industry Regulatory Act. Compliance to this act incorporates issues around human rights and fair treatment into training.



Cape Town Cycle Tour

## Compliance with marketing and communications standards

The CTICC is committed to market its product and service offerings in a truthful and transparent way. To this end, a marketing strategy containing key goals is produced annually in order to guide and inform the way in which the CTICC carries out its marketing and communications. CTICC communications are guided by both an external and internal communications policy, which are available internally.

Marketing and communications are positioned separately at the CTICC, with a Marketing and Sustainability department, and Corporate Communications department, respectively. The heads of both of these departments report to the General Manager: Commercial & Business Development. The Commercial department is ultimately responsible for both internal and external marketing and communications throughout the CTICC.

The CTICC has identified the need for internal brand alignment and training. As such, the Marketing and Sustainability department is in the process of creating a branding guideline to be used internally, as well as an updated corporate identity manual for use externally. The CTICC brand essence will also be covered in all new staff inductions.

In terms of monitoring and evaluating the effectiveness of marketing communications at the CTICC, the following processes have been implemented:

- Questions in the monthly client-feedback survey process
- Collation and consolidation of all feedback received on social media platforms
- Collation of client complaints and compliments
- Regular client engagements

## Product and service labelling

The CTICC provides a venue and event-related services such as catering and event management support. As such, labelling only applies to the extent that is required in signage, as well as in the contracts and other documentation provided to clients. In both of these areas, the CTICC aims to benchmark itself against international standards and national policies. Clear guidance is provided to clients on the requirements for hosting an event at the CTICC. Organisational responsibility for signage and marketing collateral lies with the Commercial & Business Development department, and the General Manager: Commercial & Business Development approves all external signage. The effectiveness and clarity of both building signage and contracts is monitored through questionnaires run by a third party company. This provides a customer service index and ensures continuous improvement.

## Customer privacy

Standard customer privacy procedures are in place for customers at the CTICC. In addition, as part of their IT roadmap, the CTICC has implemented a Wi-Fi login system, in order to prevent unsecured access to the Internet. Client privacy is respected and details of clients' events are only publicised with permission.





CTICC CRM regarding the expansion

## STAKEHOLDER ENGAGEMENT REVIEW

Given the ownership structure, mandate and operations of the CTICC, the business has a wide array of stakeholders. These include shareholders who own a percentage of the Company, clients who book events at the CTICC, industry bodies and role-players, the media, relevant industry service providers, and staff. Importantly, as a public entity, the CTICC is effectively owned by the public and, as such, members of the South African public are a vitally important stakeholder group.

In order to encourage stakeholder interaction, various stakeholder events are hosted throughout the year. These include the regular CTICC board meetings, the Annual General Meeting and social stakeholder events. These platforms encourage face-to-face communication and are an ideal way of first-hand feedback from stakeholders. Specific stakeholder engagement initiatives include:

- Client relationships are key to the sustainable success of the CTICC and, numerous events are hosted throughout the year to which clients are invited and at which they are able to provide direct feedback and input to the centre.
- The CTICC holds at least three staff meetings per year with the specific aim of encouraging direct communication and feedback.
- During the 2014/15 financial year, the CTICC hosted a series of stakeholder and client events to which industry role-players, media and suppliers were invited. These events were comprised of social functions where CTICC staff and management had a platform to engage with clients and key stakeholders.
- Comprehensive “product and service” feedback is obtained via a thorough client de-briefing session after each key event. A third party service provider conducts monthly client surveys with the CTICC’s clients.
- The centre has an extensive social media following with more than 15 000 Facebook members and nearly 5000 Twitter followers. These social media platforms are extensively used for two-way stakeholder communication.

The centre is also represented on the various boards and committees of key destination and industry role-players in Cape Town. It is a member of a centralised communication stakeholder committee (Economic Development Partnership Communicators Forum), which comprises the City of Cape Town, the Western Cape Government, Cape Town Tourism, Cape Town Partnership, Central City Improvement District (CCID) and Wesgro. These are all key strategic industry players involved in growing the local economy. Monthly meetings are held where information, ideas and feedback are shared.

The CTICC’s key stakeholder groups are listed on the following page, along with the main reasons for their selection as stakeholders, issues raised in the year under review and the CTICC’s response.

Key Stakeholders	Basis for Selection	Key Issues in 2014/15	CTICC Response
City of Cape Town , Western Cape Government and Sunwest International (Pty) Ltd	As CTICC's majority shareholder, the City of Cape Town is the stakeholder most closely involved in the business. The Western Cape Government, also shares a significant interest in the centre's long-term success.  Shareholders are important to the financial sustainability and governance of the CTICC and have provided funding for the expansion.	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Infrastructure-led growth and development</li> <li>Ensuring that the expansion project is on track and within budget</li> <li>Governance of the business</li> </ul>	<ul style="list-style-type: none"> <li>Significant increase in annual contribution to GDP and GGP and spreading wealth creation</li> <li>Close co-operation with the City and ongoing communications regarding planning and expansion decisions</li> </ul>
Tourism and business partners	The CTICC has a vital role in partnering with its peers to raise the tourism profile of the city and region. It is important to collaborate with these stakeholders to achieve this and position the CTICC top of mind amongst clients and prospects.	<ul style="list-style-type: none"> <li>CTICC's role and success in raising the tourism profile of the city and region</li> <li>Ebola concerns amongst global clients and prospects</li> <li>Visa regulations and the implications for the business tourism industry</li> </ul>	<ul style="list-style-type: none"> <li>Year-on-year increase in visitor days</li> <li>Continued work to profile CTICC, city, province and country at an international and local industry level</li> <li>Growth of the CTICC Ambassador Programme</li> </ul>
Clients (including): <ul style="list-style-type: none"> <li>Private organisations, businesses and individuals</li> <li>Professional Conference Organisers (PCOs)</li> <li>Exhibition and event organisers</li> </ul>	Important to the continued operation and financial sustainability of the CTICC.	<ul style="list-style-type: none"> <li>Pertinent issues related to event logistics and event feedback</li> <li>Price and affordability</li> <li>Delivery of excellent product and service</li> <li>Concern about Ebola</li> <li>Possible impact of load shedding on events</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing client engagement and panel discussions</li> <li>Client relationship management events</li> <li>Customer satisfaction surveys</li> <li>Post-event debrief meetings with clients</li> <li>Ebola education and information initiatives</li> <li>Load shedding FAQ document compiled</li> </ul>
Service partners	Important to the effective delivery of desired client and guest experiences and the achievement of the organisations goals and vision.	<ul style="list-style-type: none"> <li>Inconsistency in service delivery</li> </ul>	<ul style="list-style-type: none"> <li>Regular performance and Service Level Agreement (SLA) reviews</li> </ul>
Media	Media are invaluable in terms of raising awareness of the CTICC, delivering communications to the public and other stakeholders, and managing its reputation.	Various queries and concerns regarding the proposed expansion and the CTICC operations and performance highlights.	<ul style="list-style-type: none"> <li>Ongoing media releases</li> <li>Direct responses to media enquiries</li> </ul>
CTICC staff and contracted labour	Human capital is vital for the successful, efficient and sustainable operation of the centre.	<ul style="list-style-type: none"> <li>Desire to be more involved in the CTICC's social sustainability efforts</li> <li>Ongoing focus on training and career development opportunities</li> <li>Input into client experience and satisfaction initiatives</li> <li>Talent retention</li> <li>Remuneration</li> <li>Expansion</li> <li>Internal communication</li> </ul>	<ul style="list-style-type: none"> <li>Focus by the NOW team on increasing access to volunteerism opportunities</li> <li>Ongoing investment in training and development</li> <li>Regular sharing of client survey results to inform experience delivery efforts</li> <li>Continued investment in staff</li> <li>Staff rewards and recognition initiatives</li> </ul>
Local community partners: (Abalimi Bezekhaya, Haven Night Shelter, Mitchells Plain School of Skills and the Foundation for Alcohol-Related Research (FARR))	The CTICC adopted four local community partners (LCP) in 2011. Since then, it has strengthened community ties and attempted to offer ongoing, valuable partnerships with the organisations.	<ul style="list-style-type: none"> <li>Addressing fundamental issues within our immediate and broader communities – unemployment, substance abuse, homelessness and uplifting previously disadvantaged communities.</li> </ul>	<ul style="list-style-type: none"> <li>Various CSR activations executed based on the needs of the local community partners.</li> <li>Volunteerism and in-kind donations, on occasion financial support is also provided.</li> </ul>
Communities and broader society	It is vital for the sustainability of the business that it engages with, and positively impacts the communities in which it operates.	<ul style="list-style-type: none"> <li>Ad hoc queries, complaints and compliments via email and social media.</li> </ul>	<ul style="list-style-type: none"> <li>Proactive reputational management via responses to specific feedback received via email and social media.</li> </ul>





*Client Year End Celebration*

## Stakeholder feedback mechanisms

The following mechanisms are in place for shareholders, employees, clients and other stakeholders to provide recommendations or direction to the highest governance body (the board):

- Clients: N’lighten Customer Survey Index
- Employees: Employment Relations Forum (ERF) and CEO open door policy
- Shareholders: Strongly encouraged to attend AGM and press conference
- Stakeholders: Free to attend AGM and press conference

In addition, the following communication mechanisms exist, which are closely monitored by the Communications department, who provide responses to questions and concerns about the Company.

### External communication platforms:

- CTICC newsletter sent to clients and stakeholders
- CTICC website
- CTICC press releases and press conferences
- CTICC editorials and opinion pieces placed in relevant media
- Media round tables
- Digital signage in public spaces around the CTICC
- Above the line advertising in various media
- Collaborative marketing platforms
- CTICC Integrated Annual Report, including the annual report and sustainability report
- CTICC stakeholder and client engagement sessions
- Participation in local and international industry events, and trade shows
- Social media platforms such as Facebook, Twitter and LinkedIn.

### Internal communication platforms:

- Company intranet
- Staff meetings in various formats
- Staff communications such as email, staff newsletters, memos and notice boards
- Key Performance Assessment (KPA) meetings

## Labour relations

Employees are able to raise any concerns relating to Conditions of Employment, Employment Equity and Skills Development with their line managers. The line manager will then elect to seek assistance from the Human Resources (HR) department and the matter is then resolved between the employees, line manager and the HR Manager.

The CTICC has an Employee Relations Forum (ERF) in place, with six duly nominated ERF representatives who take a collective approach to resolve employee matters that are raised. It provides representation of all employees in their dealing with the employer and seeks to establish effective communication between employer and employees in various matters varying from working conditions, dispute resolution, conditions of employment, etc. ERF members are nominated and elected by CTICC’s employees on an annual basis.

Concerns can be raised through the HR department directly, or via this Employment Relations Forum (ERF).

A Company Council meeting is held quarterly and is attended by the ERF, the HR Manager, CEO and representatives from the Executive Committee. Matters that could not be resolved through the process mentioned above or matters that have a significant impact on the employment relations environment at the CTICC are discussed at the Company Council.

The CTICC does not have employees who are covered by a collective bargaining agreement. They do however operate within

*Harnessing client relationships*

a unionised environment with 21 employees (13.9%) belonging to the South African Commercial, Catering and Allied Workers Union (SACCAWU).

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

## Overview of key stakeholder engagements in 2014/15

Apart from ongoing occasional operational and event-related issues or concerns raised by individual stakeholders, the majority of feedback received by the CTICC from both its public and private sector stakeholders related to the proposed expansion of the centre. This is understandable, given that the expansion requires a significant investment of public funds and stands to have a significant influence on Cape Town as a business and leisure destination. The CTICC provided formal, CEO-approved responses to all expansion concerns raised.

Ebola and its unintended consequences was an issue of huge concern. The CTICC held one-on-one meetings with clients, organised key client engagement sessions, networked with industry role players to keep abreast of the latest developments and communication and circulated video footage amongst role players in a bid to improve the understanding of the disease, how it is transmitted and the preventative measures that have been put in place to mitigate the impact on the industry.

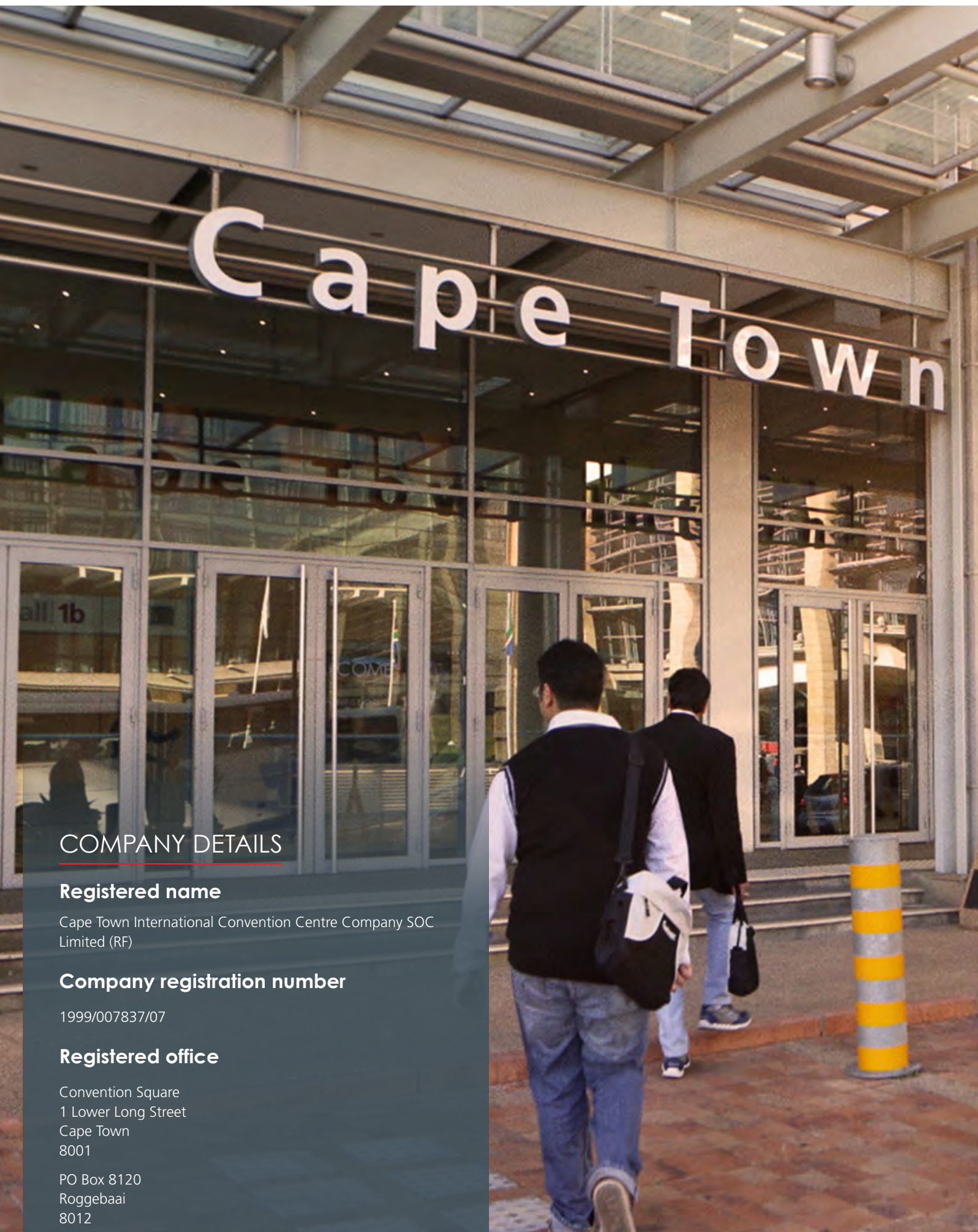
The SA energy crisis and resultant load shedding is another area of concern and directly impacts on service delivery. A FAQ document was developed to dispel some of the fears that clients may have

and to ensure existing and potential clients that the CTICC has sufficient generator capacity on site to carry on functioning at optimal level in the event of loss of power.

The recently introduced visa regulations also have enormous consequences, not only for the CTICC, but business and leisure tourism in the country as a whole. The CTICC continues to engage with key role players in meetings and workshops to voice its concerns and lobby for these regulations to be re-considered in terms of the magnitude of damage they stand to do to the tourism industry.

Lastly, the CTICC holds extensive discussions with its board, key clients and suppliers on how to embed sustainability into the organisation and how to transform the meetings and events industry to one that is more sustainable. These discussions have led directly to many of the sustainability initiatives that have been implemented by the organisation.





## COMPANY DETAILS

### Registered name

Cape Town International Convention Centre Company SOC Limited (RF)

### Company registration number

1999/007837/07

### Registered office

Convention Square  
1 Lower Long Street  
Cape Town  
8001

PO Box 8120  
Roggebaai  
8012









# ANNUAL FINANCIAL STATEMENTS

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## DIRECTORS' RESPONSIBILITY STATEMENT

**for the year ended 30 June 2015**

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

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

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

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

### Approval of the annual financial statements

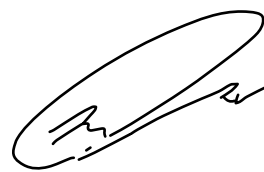
The annual financial statements which appear on pages 123 - 164 were approved by the board of directors on 27 August 2015 and are signed on their behalf by:



Authorised Director  
27 August 2015



Authorised Director  
27 August 2015



Authorised Director  
27 August 2015

# REPORT OF THE DIRECTORS

## for the year ended 30 June 2015

The directors have pleasure in presenting their report for the year ended 30 June 2015.

### 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 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:

AM Boraine (Chairman)

RSH Eksteen

J Ellingson (CEO) – Appointed 01 September 2014

GM Fisher

SA Fisher – Retired 21 October 2014

SW Fourie

El Hamman

BJ Lodewyk

GJ Lundy

AA Mahmood

S Myburgh-De Gois

F Parker (CFO)

HJ Taljaard

### 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 (69.9%) of the Company's shares. The remaining shares are held by the Western Cape Government (21.9%) and SunWest International (Pty) Ltd (8.2%).

### 8 Subsidiary

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

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

### 9 Investigations

The board has considered the content of the final report issued in October 2014 of the City of Cape Town's Forensic Services Department on the Company's tender of architectural services for its planned expansion. The board had conducted independent legal reviews into the key findings of the report. The board hereby confirms that no fraud and corruption has occurred. The board furthermore concluded that no parties including the former CEO were found to be negligent or to have acted with undue regard to the Company's best interest and that no irregular expenditure was incurred.



## COMPANY SECRETARY'S CERTIFICATE

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**for the year ended 30 June 2015**

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 2015, and that all such returns and notices are true, correct and up to date.



**MM Thirion**

Company Secretary

27 August 2015

# REPORT OF THE AUDIT AND RISK COMMITTEE

## for the year ended 30 June 2015

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

### Audit and Risk Committee mandate

The committee is governed by formal terms of reference, which have been approved by the board and which are regularly reviewed. It fulfils its responsibilities in terms of the Companies Act, 71 of 2008, the Municipal Finance Management Act, 56 of 2003 (MFMA), and its terms of reference. The committee has an independent role with accountability to both the board and the shareholders. It does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of 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. Mrs Hamman was appointed to the committee on 26 February 2015 to fill the vacancy left by the retirement of Dr SA Fisher by rotation at the previous AGM. A quorum for meetings is a 50% of the members present.

Name of committee member	Qualifications
BJ Lodewyk (Chairman)	B.Com (Acc.); Hons B. Compt; CA (SA)
SW Fourie	B.Com (Econ); Hons, MBus. Admin.
El Hamman	B.Com (Acc.); PGDA; CA(SA)
AA Mahmood	B.Compt; MBA

### Attendance at meetings

The committee meets at least four times a year and its meetings are attended by the Chief Executive Officer, Chief Financial Officer, other executive managers of the Company and representatives of the internal and external auditors. The committee met four times during the period under review. Refer to page 106 for the attendance at committee meetings.

### Key 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:

- exercises oversight of the internal financial controls of the Company;
- makes submissions to the board of directors, and advises the board, the accounting officer and the management of the Company on matters relating to internal financial control and internal audit; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management and evaluation; effective governance, compliance with the MFMA and other applicable legislation and any other 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 and Risk 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;
- 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;



**The committee (continued)**

- oversees the development and annual review of the Company's risk management action plan and ensures that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- monitors implementation of the risk management action plan and ensures that risk management assessments are performed on a continuous basis and reports to the board in this regard;
- makes recommendations to the board concerning levels of tolerance and risk appetite;
- performs such additional oversight functions as may be determined by the board from time to time.

**Discharge of responsibilities**

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

**Internal control**

The committee has, during the period under review:

- satisfied itself that the Chief Financial Officer has the appropriate expertise and experience to act in this capacity;
- reviewed the expertise, resources and adequacy of the Company's finance function and found it to be adequate;
- reviewed the quarterly and annual financial results, 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 and made recommendations to the relevant Company policies;
- reviewed the significant issues raised by the internal and external auditors;
- had oversight of IT governance;
- exercised oversight of the financial aspects of capital projects including the CTICC East expansion.

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

**Risk management**

The committee has, during the period under review:

- exercised oversight in respect of the enterprise risk management function, which remains management's responsibility;
- exercised oversight of a process, facilitated by the internal auditors, in terms of which management has assessed the effectiveness of the Company's system of internal control and risk management, including internal financial controls;
- monitored implementation of the Company's risk management action plan and made recommendations regarding improvement of reporting thereon.

**Internal audit**

The committee has, during the period under review:

- ensured that the Company's internal audit function was independent and that it had the necessary resources and standing to enable it to discharge its duties;
- The committee reviewed and approved the internal audit plan and monitored the effectiveness of the internal audit function in terms of its scope, progress with execution, coverage and independence;
- The committee exercised oversight of the co-operation between the internal and external auditors and served as a link between the board and these functions.

**External audit**

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

The committee considered the fees to be paid to the auditors and their terms of engagement.

**Annual financial statements and conclusion**

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

The board has subsequently approved the Integrated Annual Report, which will be open for discussion at the upcoming Annual General Meeting.

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



**BJ Lodewyk CA (SA)**

Audit and Risk Committee Chairman

27 August 2015



# REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

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## for the year ended 30 June 2015

This report is presented by the Human Resources and Remuneration Committee (the committee) and describes how the committee has discharged its duties in respect of the 2014/15 financial year.

### Mandate of the committee

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

### Composition of the committee

The committee currently comprises four independent non-executive directors of the Company. The Director: Shareholding Management of the City of Cape Town is invited to attend committee meetings. The executive directors and certain members of the Company's executive management team also attend committee meetings. A quorum for meetings is 50% of the members present

### Attendance at meetings

The committee met six times during the period under review. Details of attendance at meetings appear on page 106 of this report.

### Key responsibilities of the committee

The committee:

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

### Discharge of responsibilities

During the year under review the committee:

- exercised oversight over salary increases;
- reviewed various Company policies;
- reviewed the HR strategy;
- set, in conjunction with the CEO, her key performance indicators (KPIs) and carried out the necessary review of performance against the set KPIs;
- had oversight of the Company's employment equity reporting;
- reviewed the Company's reward and recognition strategy, and
- exercised oversight of matters related to human resource management and succession planning.

**Remuneration strategy and policy**

The Company's remuneration strategy is aimed at attracting, motivating and retaining competent and talented 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 to acknowledge the contribution of individual employees by rewarding them for exceptional performance. KPIs are identified and agreed between each staff member and his/her immediate superior and his/her performance is measured against these agreed indicators. Individuals' KPIs are linked to the Company's KPIs as a means of ensuring that the Company achieves its objectives. A reward and recognition programme has also been implemented.

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

**Directors' remuneration**

The Company's strategy for the remuneration of non-executive directors is aimed at ensuring that levels of remuneration are sufficient to attract, retain and motivate suitably skilled and experienced non-executive directors, recognising the responsibilities borne by directors and ensuring that they are remunerated fairly and responsibly within the constraints of the Municipal Finance Management Act, 56 of 2003 and the Company's Memorandum of Incorporation.

The Company's Directors' Remuneration Policy was approved by the Shareholders at the Annual General Meeting of the Company, held on 21 October 2014. The policy remains unchanged.

Please refer to page 157 for details of the directors' remuneration for the period under review.

**HJ Taljaard**

Human Resources and Remuneration Committee Chairman  
27 August 2015



# REPORT OF THE NOMINATIONS COMMITTEE

## for the year ended 30 June 2015

This report is presented by the Nominations Committee and describes how the committee has discharged its duties in respect of the financial year ended 30 June 2015.

### Role of the committee

The committee has an oversight role and makes recommendations to the board regarding the directors of the Company to ensure

- that the board has the appropriate composition to enable it to execute its duties effectively;
- that directors are appointed through a formal and transparent process;
- that the respective board committees have the appropriate skill sets;
- that induction, ongoing training and development and evaluation of directors takes place; and
- that the appropriate succession plans are in place.

### Composition of the committee

The committee comprises two non-executive directors, appointed by the shareholders, and the Chairman of the board who also chairs this committee. A quorum for meetings is a 50% of the members present.

### Attendance at meetings

The committee must, in terms of its terms of reference, meet at least twice a year. During the past financial year it met twice. Please refer to page 106 or the attendance at meetings of the committee.

### Discharge of responsibilities

The committee has a detailed work plan, which has been formally adopted to support its effective functioning during the year. The committee is satisfied that it has, during the past financial year met its responsibilities as stipulated in its terms of reference.



### AM Boraine

Nominations Committee Chairman

27 August 2015

# REPORT OF THE SOCIAL AND ETHICS COMMITTEE

## for the year ended 30 June 2015

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 2015.

### Social and ethics 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.

### Mandate of the committee

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

The committee is governed by formal terms of reference, which have been approved by the board and are regularly reviewed. The committee is accountable to both the board and the shareholders. 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.

The committee monitors the Company's activities, having regard to relevant legislation, other legal requirements or prevailing codes of good practice, with regard to matters relating to good corporate citizenship, social and economic development, the environment, client relationships, labour and employment and health and safety. Additional duties set forth in the committee's terms of reference include oversight of the institutionalisation and integration of the Company's ethical standards into its strategies and operations.

### Composition of the committee

The committee is currently comprised of three non-executive directors who have not been involved in the day-to-day management of the Company's business within the previous three years and the Chief Executive Officer. A quorum for meetings is 50% of the members present.

### Attendance at meetings

The committee must, in terms of its terms of reference, meet at least twice a year. During the past financial year it met three times. Please refer to page 106 for the attendance at meetings of the committee.

### Discharge of responsibilities

The committee has a detailed work plan, which has been formally adopted, to support its effective functioning during the year. The committee is satisfied that it has, during the past financial year met its responsibilities as stipulated in its terms of reference 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, the environment, BBBEE, 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 is committed to integrating ethics into the business of the Company and that it is paying sufficient attention to ethics management.

**(Ms) El Hamman CA(SA)**

Social and Ethics Committee Chairman

27 August 2015



# Report of the auditor-general to the Western Cape Provincial Parliament and the council of the City of Cape Town on the Cape Town International Convention Centre Company SOC Limited (RF)

## Report on the financial statements

### Introduction

1. I have audited the financial statements of the Cape Town International Convention Centre Company SOC Limited (RF) (CTICC) set out on pages 134 to 162, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, 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 of South Africa, 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 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 CTICC as at 30 June 2015 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.

### 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 163 to 164 does not form part of the financial statements and is 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 CTICC is required to disclose particulars of non-compliance with the MFMA. 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. As part of my audit of the financial statements for the year ended 30 June 2015, I have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports, I have not identified material inconsistencies between these reports and the audited financial statements. I have not audited these reports and, accordingly, I do not express an opinion thereon.

## Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report, non-compliance with legislation and 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 CTICC for the year ended 30 June 2015:
- Key performance area 1: events, on page 63
  - Key performance area 3: customer centricity and service excellence, on page 63
  - Key performance area 5: budget, on page 63
  - Key performance area 6: governance, on page 63
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 identify any material findings on the usefulness and reliability of the reported performance information for the selected key performance areas.

### Additional matter

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected key performance areas, I draw attention to the following matter:

### Achievement of planned targets

18. Refer to the annual performance report on page 63 for information on the achievement of the planned targets for the year.

### Compliance with legislation

19. I performed procedures to obtain evidence that the CTICC 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

20. 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

21. As reported in the prior periods, an investigation was conducted by the Office of the Public Protector (OPP) into the purchase of land by the City of Cape Town. This resulted in a recommendation by the OPP that an investigation be instituted by the City of Cape Town's forensic unit into the supply chain management procedures of the CTICC expansion project. The investigations by the forensic unit and the reviews by the board of the CTICC were finalised in October 2014. The board concluded that no parties were found to be grossly negligent or to have acted with undue regard to the entity's best interests, and that no irregular expenditure occurred.

*Auditor-General*

**Cape Town**

14 October 2015



Auditing to build public confidence



# STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	NOTES	2015 R	2014 R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>264 119 857</b>	205 314 219
Property, plant and equipment	2	264 115 089	205 314 119
Investment in subsidiary	3	100	100
Deferred taxation	4	4 668	–
<b>Current assets</b>		<b>582 845 409</b>	366 275 193
Inventories	5	1 765 555	1 068 413
Receivables and other receivables from exchange transactions	6	26 448 312	10 207 299
Cash and cash equivalents	14.3	554 631 542	354 999 481
<b>Total assets</b>		<b>846 965 266</b>	571 589 412
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		<b>752 174 213</b>	507 316 843
Contribution from owners	7	967 427 701	764 713 201
Accumulated deficit		(215 253 488)	(257 396 358)
<b>Non-current liabilities</b>			
Deferred taxation	4	–	2 200 973
<b>Current liabilities</b>		<b>94 791 053</b>	62 071 596
Client deposits		36 429 117	28 308 347
Payables and other payables from exchange transactions	8	53 938 793	30 482 725
Provisions	9	3 364 567	3 249 504
Receiver of revenue		1 058 576	31 020
<b>Total net assets and liabilities</b>		<b>846 965 266</b>	571 589 412

## STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2015

	NOTES	2015 R	2014 R
Revenue from exchange transactions	11	189 999 837	171 862 199
<b>Cost of sales</b>		<b>(23 225 817)</b>	(23 289 121)
Gross profit		166 774 020	148 573 078
Other operating income from exchange transactions		38 481 468	15 684 516
Finance income	12	30 836 658	11 279 704
Other		7 644 810	4 404 812
Operating expenses		(144 441 217)	(138 407 710)
Operating profit	10	60 814 271	25 849 884
Finance costs	12	(95 104)	(40 633)
Profit before taxation		60 719 167	25 809 251
Taxation	13	(18 576 297)	(8 251 657)
<b>Net profit for the year</b>		<b>42 142 870</b>	17 557 594

## STATEMENT OF CHANGES IN NET ASSETS

for the year ended 30 June 2015

	CONTRIBUTIONS FROM OWNERS R	ACCUMULATED DEFICIT R	TOTAL R
Balance at 1 July 2013	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
Balance at 30 June 2014	764 713 201	(257 396 358)	507 316 843
Profit for the year	–	42 142 870	42 142 870
Share issue	202 714 500	–	202 714 500
<b>Balance at 30 June 2015</b>	<b>967 427 701</b>	<b>(215 253 488)</b>	<b>752 174 213</b>



# CASH FLOW STATEMENT

for the year ended 30 June 2015

	NOTES	2015 R	2014 R
<b>Cash flow from operating activities</b>		<b>78 796 255</b>	42 336 666
Cash receipts from customers		<b>189 449 136</b>	181 887 124
Cash paid to suppliers and employees		<b>(121 640 053)</b>	(139 210 474)
Cash generated from operations	14.1	<b>67 809 083</b>	42 676 650
Finance costs	12	<b>(95 104)</b>	(40 633)
Finance income	12	<b>30 836 658</b>	11 279 704
Taxation paid	14.2	<b>(19 754 382)</b>	(11 579 055)
<b>Cash flow from investing activities</b>		<b>(81 878 694)</b>	(41 258 813)
Acquisition of property, plant and equipment		<b>(81 878 694)</b>	(41 258 813)
<b>Cash flow from financing activities</b>		<b>202 714 500</b>	199 073 500
Proceeds from share issue	7	<b>202 714 500</b>	199 073 500
Increase in cash and cash equivalents		<b>199 632 061</b>	200 151 353
Cash and cash equivalents at beginning of the year	14.3	<b>354 999 481</b>	154 848 128
<b>Cash and cash equivalents at end of the year</b>	<b>14.3</b>	<b>554 631 542</b>	354 999 481

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 30 June 2015

	NOTES	ACTUAL	APPROVED BUDGET	FINAL BUDGET	FAVOURABLE/ UNFAVOURABLE VARIANCE	VARIANCE
		R	R	R	R	%
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>20.2</b>					
<b>Revenue</b>	i	189 578 375	173 842 517	176 792 567	12 785 808	7%
<b>Other income</b>	ii	6 346 112	3 942 701	3 942 701	2 403 411	61%
<b>Less: direct costs</b>		39 066 078	38 486 453	38 936 454	(129 624)	0%
Cost of sales		22 908 429	22 826 960	23 136 961	228 532	1%
Direct personnel		12 447 516	11 543 955	11 683 955	(763 561)	-7%
Parking costs		3 100 676	3 360 538	3 360 538	259 862	8%
Equipment hire		609 457	755 000	755 000	145 543	19%
<b>Add: finance income</b>	iii	30 836 658	16 987 583	20 529 372	10 307 286	50%
<b>Less: indirect expenditure</b>	iv	126 975 900	138 464 345	143 182 049	16 206 149	11%
Personnel costs		44 372 341	44 613 339	47 661 321	3 288 980	7%
Operations general		2 395 827	2 709 000	2 709 000	313 173	12%
Utility services		16 335 147	18 584 654	18 113 054	1 777 907	10%
Maintenance		7 199 354	7 515 300	7 515 300	315 946	4%
Building costs		13 376 480	13 733 160	14 204 760	828 280	6%
Office costs		4 027 159	4 220 582	4 390 249	363 090	8%
Computer expenses		5 116 347	5 496 000	5 496 000	379 653	7%
Advisors		3 493 128	3 311 294	5 111 293	1 618 165	32%
Travel and entertainment		1 051 555	1 880 960	1 880 960	829 405	44%
Marketing and corporate communications		4 481 200	6 720 266	6 420 266	1 939 066	30%
Catering materials		2 661 127	2 691 653	2 691 653	30 526	1%
Bad debts		(597 305)	280 900	280 900	878 205	313%
Depreciation		22 968 436	26 707 237	26 707 293	3 738 857	14%
Finance costs		95 104	–	–	(95 104)	–
<b>Profit before tax for the period</b>	v	60 719 167	17 822 003	19 146 137	41 573 030	217%

## Capital expenditure for the year ended 30 June 2015

### CATEGORY

Building enhancements		15 843 617	13 300 000	15 844 506	889	0%
IT and electronic infrastructure		8 486 329	9 028 950	9 217 915	731 586	8%
Kitchen enhancements		944 575	960 000	960 000	15 425	2%
Catering furniture and equipment		2 278 362	3 390 000	2 201 027	(77 335)	-4%
Other capex items		54 855 832	52 100 000	59 698 095	4 842 263	8%
<b>Total capital expenditure</b>	20.3	82 408 715	78 778 950	87 921 543	5 512 828	6%



# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2015

### 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 20 Related Party Disclosures	This standard ensures that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.
GRAP 32 Service Concession Arrangements Grantor	This standard prescribes the accounting for service concession arrangements by the grantor, a public sector entity.
GRAP 108 Statutory Receivables	This standard prescribes the accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

#### 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)
GRAP 32	Accounting for service concession arrangements by the grantor, a public sector entity. (The entity does not service concession arrangements)
GRAP 108	The recognition, measurement, presentation and disclosure of statutory receivables. (The entity does not hold any statutory receivables)

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

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 20	Accounting for service concession arrangements by the grantor, a public sector entity. (The entity does not service concession arrangements)
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## 1. Accounting policies (continued)

### 1.1 Basis of preparation (continued)

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:

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 judgement whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

#### Provisions and contingent liabilities

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



## 1. Accounting policies (continued)

### 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:

	2015 %	2014 %
Plant and equipment	<b>8.33 - 50.00</b>	8.33 - 33.33
Motor vehicles	<b>14.28 - 25.00</b>	16.67 - 25.00
Furniture and fittings	<b>6.67 - 50.00</b>	6.67 - 20.00
Kitchen and catering	<b>6.67 - 50.00</b>	10.00 - 50.00
Office equipment	<b>10.00 - 50.00</b>	10.00 - 50.00
Computer equipment	<b>16.67 - 50.00</b>	16.67 - 50.00
Computer software	<b>33.33 - 50.00</b>	33.33 - 50.00
Escalators and elevators	<b>5.56 - 10.00</b>	5.56 - 10.00
Carpets/laminated flooring	<b>12.50 - 16.67</b>	12.50 - 16.67
Curtains/blinds	<b>11.11 - 20.00</b>	10.00 - 20.00
Signage	<b>8.33 - 33.33</b>	8.33 - 33.33
Audio-visual	<b>7.69 - 16.67</b>	7.69 - 16.67
Fences and gates	<b>6.67 - 20.00</b>	6.67 - 20.00
Cold rooms	<b>5.88 - 16.67</b>	5.88 - 16.67
Air-conditioning system	<b>5.56 - 50.00</b>	5.56 - 50.00
Sprinkler system	<b>16.67 - 20.00</b>	16.67 - 20.00
Auditorium seating	<b>8.33 - 16.67</b>	8.33 - 16.67
Building management system	<b>5.88 - 16.67</b>	5.88 - 16.67
Building	<b>2.5 - 50.00</b>	2.5 - 50.00

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 the adopted by a profit-orientated entity, it generates a commercial return.

## 1. Accounting policies (continued)

### 1.3 Impairment of assets (continued)

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

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.



## 1. Accounting policies (continued)

### 1.3 Impairment of assets (continued)

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

##### Composition of estimates of future cash flows (continued)

Estimates of future cash flow exclude:

- Cash inflows or outflows from financing activities; and
- Income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the entity expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

##### Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

##### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

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.

## 1. Accounting policies (continued)

### 1.3.2 Impairment of non-cash-generating assets (continued)

#### Depreciated replacement cost approach (continued)

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. Accounting policies (continued)

### 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.

### 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. Accounting policies (continued)

### 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. Accounting policies (continued)

### 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.

### 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. Accounting policies (continued)**

### **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

	2015			2014		
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Escalators	4 153 097	2 092 652	2 060 445	4 153 097	1 799 692	2 353 405
Elevators	10 431 903	8 197 469	2 234 434	10 431 903	7 641 562	2 790 341
Carpets/laminated flooring	8 437 337	3 523 624	4 913 713	10 369 748	5 501 426	4 868 322
Curtains/blinds	2 703 521	2 570 266	133 255	2 719 366	2 340 664	378 702
Signage	3 966 059	2 717 227	1 248 832	3 790 108	2 332 180	1 457 928
Audio-visual	13 053 983	12 105 738	948 245	13 007 534	11 710 963	1 296 571
Fences and gates	1 223 469	968 128	255 341	1 229 189	871 602	357 587
Cold rooms	3 188 210	2 235 046	953 164	3 036 730	1 954 526	1 082 204
Air-conditioning system	34 303 314	22 281 815	12 021 499	33 482 957	20 342 868	13 140 089
Sprinkler system	4 891 993	4 859 636	32 357	4 891 993	4 818 805	73 188
Auditorium seating	5 249 773	5 045 506	204 267	5 249 772	4 588 484	661 288
Building management system	33 287 513	24 995 785	8 291 728	32 579 417	23 393 798	9 185 619
Building	462 686 531	361 784 473	100 902 058	450 134 864	355 583 541	94 551 323
Plant and equipment	10 715 633	8 260 649	2 454 984	10 568 547	7 468 431	3 100 116
Motor vehicles	1 641 713	1 254 098	387 615	1 266 948	1 199 312	67 636
Furniture and fittings	15 097 374	12 272 163	2 825 211	14 702 687	10 903 215	3 799 472
Kitchen and catering	15 477 071	10 781 954	4 695 117	14 693 826	10 143 213	4 550 613
Office equipment	4 468 230	3 621 003	847 227	5 362 256	4 614 051	748 205
Computer equipment	13 067 153	7 943 419	5 123 734	10 792 376	5 768 227	5 024 149
Computer software	7 773 425	3 129 400	4 644 025	3 477 429	1 732 074	1 745 355
Assets in progress*	125 029 182	16 091 344	108 937 838	70 173 350	16 091 344	54 082 006
	<b>780 846 484</b>	<b>516 731 395</b>	<b>264 115 089</b>	<b>706 114 097</b>	<b>500 799 978</b>	<b>205 314 119</b>

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

2015	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R	R	R	R	R	R
Escalators	2 353 405	–	–	–	292 960	2 060 445
Elevators	2 790 341	–	–	–	555 907	2 234 434
Carpets/laminated flooring	4 868 322	–	1 158 601	–	1 113 210	4 913 713
Curtains/blinds	378 702	(1 540)	–	–	243 907	133 255
Signage	1 457 928	–	175 951	–	385 047	1 248 832
Audio-visual	1 296 571	–	46 448	–	394 774	948 245
Fences and gates	357 587	–	–	4 036	98 210	255 341
Cold rooms	1 082 204	–	151 480	–	280 520	953 164
Air-conditioning system	13 140 089	1 540	856 594	17 849	1 958 875	12 021 499
Sprinkler system	73 188	–	–	–	40 831	32 357
Auditorium seating	661 288	–	–	–	457 021	204 267
Building management system	9 185 619	–	945 265	–	1 839 156	8 291 728
Building	94 551 323	–	12 717 446	22 593	6 344 118	100 902 058
Plant and equipment	3 100 116	–	173 349	2 428	816 053	2 454 984
Motor vehicles	67 636	–	516 819	51 747	145 093	387 615
Furniture and fittings	3 799 472	27 399	251 241	–	1 252 901	2 825 211
Kitchen and catering	4 550 613	(27 399)	2 134 110	10 342	1 951 865	4 695 117
Office equipment	748 205	–	817 559	293	718 244	847 227
Computer equipment	5 024 149	–	2 782 004	–	2 682 419	5 123 734
Computer software	1 745 355	–	4 295 995	–	1 397 325	4 644 025
Assets in progress*	54 082 006	–	54 855 832	–	–	108 937 838
	<b>205 314 119</b>	<b>–</b>	<b>81 878 694</b>	<b>109 288</b>	<b>22 968 436</b>	<b>264 115 089</b>

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

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

2014	CARRYING VALUE AT BEGINNING OF YEAR	RECLASSIFICATION AND ADJUSTMENTS	ADDITIONS	DISPOSALS	DEPRECIATION	CARRYING VALUE AT END OF YEAR
	R	R	R	R	R	R
Escalators	2 677 487	—	—	—	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
Audio-visual	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.

#### Cost (fully depreciated property, plant and equipment)

	2015	2014
	R	R
Audio-visual	4 891 570	4 891 570
Auditorium seating	4 910 173	105 120
Building	5 348 828	3 144 382
Building management system	17 877 057	15 965 278
Carpets/laminated flooring	718 550	3 624 473
Curtains/blinds	1 479 167	1 470 600
Fences and gates	362 659	310 756
Signage	1 882 123	38 242
Sprinkler system	4 706 801	4 626 326
Air-conditioning system	362 296	214 521
Escalators	588 486	588 486
Elevators	1 993 430	1 993 430
Motor vehicles	1 124 894	1 119 721
Computer software	1 258 395	908 688
Computer equipment	3 863 440	2 430 089
Office equipment	2 335 634	3 190 419
Furniture and fittings	7 941 089	6 508 212
Artwork	1 321 095	1 321 095
Plant and equipment	4 978 481	4 211 765
Kitchen and catering	5 900 022	5 355 331
	73 844 190	62 018 504



## 2 Property, plant and equipment (continued)

### 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:

	2015 R	2014 R
Escalators	2 060 445	2 353 405
Elevators	2 234 434	2 790 341
Cold rooms	953 164	1 082 204
Air-conditioning system	12 021 499	13 140 089
Auditorium seating	204 267	661 288
Building	100 902 058	94 551 323
Kitchen and catering	4 695 117	4 550 613
<b>Total carrying value</b>	<b>123 070 984</b>	<b>119 129 263</b>

- The main purpose of establishing the centre was to generate spin-off returns for the region.
- Due to the restrictions imposed on the use of the facility and site, no active market exists within which the value of the centre can be determined through an arm's length transaction between a willing buyer and a willing seller, and as such the value in use of the centre has been used to determine whether the building's carrying value may not be recoverable.
- Since inception, all initial targets for the region (spin-offs) and the operation of the convention centre have consistently been exceeded and are forecast to maintain this level of performance for the foreseeable future.
- Despite this, the value in use of the centre can only be attributed to the present value of the future cash flows generated within the centre itself, and excludes any value which it generates for other entities or business sectors.
- 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.
- A discount rate of 13.7% (2014: 13.9%) was used which was calculated using the risk free rate of the R186 of 8.3% adjusted by 5.4% for uncertainty regarding timing and extent of certain of the cash flows.

Based on the calculation of value in use, the fair value value of R123.9 million was determined. The current carrying value of R123 million was established for the building at date of calculation. This has resulted in a nil reversal of impairment.

## 3 Investment in subsidiary

The Company has an investment in the following company:

	2015 R	2014 R
<b>Unlisted</b>		
<b>Cape Town International Convention Centre Operating Company (Pty)Ltd (OPCO)</b>	<b>100</b>	<b>100</b>

The agency agreement between Cape Town International Convention Centre Company SOC Ltd (RF) (CONVENCO) and Cape Town International Convention Centre Operating Company (Pty) Ltd (OPCO) was terminated on 30 June 2010. OPCO does not reflect any trading activities in its financial results and will be deregistered. The company is dormant and has 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 balance is made up as follows:

	2015 R	2014 R
Asset/(liability) at beginning of year	(2 200 973)	(4 639 770)
Temporary differences	2 205 641	2 438 797
<b>Asset/(liability) at end of year</b>	<b>4 668</b>	<b>(2 200 973)</b>
The balance comprises:		
Capital allowance (non-deductible temporary differences)	4 668	2 200 973
	<b>4 668</b>	<b>2 200 973</b>

#### 5 Inventories

Food	955 443	399 830
Beverage	631 266	504 537
Consumables	148 467	116 673
Chemicals	30 379	47 373
	<b>1 765 555</b>	<b>1 068 413</b>

#### 6 Receivables and other receivables from exchange transactions

Trade receivables	1 696 490	6 077 762
Less: Provision for impairment of trade receivables	(13 836)	(1 750 654)
Receivables from exchange transactions - net	1 682 654	4 327 108
Prepayments	1 159 655	1 648 226
Receiver of revenue: VAT	–	1 057 751
Other receivables*	23 606 003	3 174 214
	<b>26 448 312</b>	<b>10 207 299</b>

\*Included in the 2015 other receivables balance is an amount of R22.7 million due from the City of Cape Town relating to the second basement of the expansion.

Trade receivables ageing		
Current (0 – 30 days)	913 359	3 241 539
31 – 60 days	683 281	982 150
61 – 90 days	5 442	66 537
91 – 120 days	–	5 811
+ 120 days	94 408	1 781 725
<b>Total</b>	<b>1 696 490</b>	<b>6 077 762</b>
Provision for impairment	13 836	1 750 654
Trade receivables due	1 682 654	4 327 108

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

<b>Provision for impairment of trade receivables</b>		
Opening balance	1 750 654	2 255 807
Additional provision	13 836	1 750 654
Unused amounts reversed	(1 750 654)	(2 255 807)
<b>Closing balance</b>	<b>13 836</b>	<b>1 750 654</b>

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

The Company does not hold any collateral as security.



## 7 Contribution from owners

### Authorised share capital

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

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

On 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 Western Cape Government. These shares will be issued in tranches on agreed dates.

	2015		2014	
	R	R	R	R
	Number of Shares	Stated Capital	Number of Shares	Stated Capital
<b>Issued and fully paid ordinary shares</b>				
Opening balance	113 477	764 713 201	56 599	565 639 701
"A" ordinary shares	99 477	625 073 500	42 599	426 000 000
"B" ordinary shares	14 000	139 639 701	14 000	139 639 701
Movements	57 919	202 714 500	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
Share issue – "A" ordinary shares (08 October 2014)	14 285	49 997 500	–	–
Share issue – "A" ordinary shares (30 October 2014)	4 674	16 358 000	–	–
Share issue – "A" ordinary shares (09 December 2014)	34 286	120 001 000	–	–
Share issue – "A" ordinary shares (14 January 2015)	4 674	16 358 000	–	–
Closing balance	171 396	967 427 701	113 477	764 713 201
"A" ordinary shares	157 396	827 788 000	99 477	625 073 500
"B" ordinary shares	14 000	139 639 701	14 000	139 639 701

## 8 Payables and other payables from exchange transactions

	2015	2014
	R	R
Trade payables	12 126 091	12 205 954
Accruals*	39 177 212	18 213 302
Receiver of Revenue: VAT	2 561 088	–
Sundry payables	74 402	63 469
	<b>53 938 793</b>	<b>30 482 725</b>

\*Included in the 2015 accruals balance is an amount of R22.7 million due from the City of Cape Town relating to the second basement of the expansion.

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

The carrying value of these trade payables is denominated in the following currency: **12 126 091** 12 205 954  
South African Rand

## 9 Provisions

Performance bonus provision		
Opening balance	3 249 504	2 688 593
Additional provisions	3 364 567	3 249 504
Prior year provision utilised	(3 249 504)	(2 688 593)
<b>Closing balance</b>	<b>3 364 567</b>	<b>3 249 504</b>

Performance bonuses accrue to staff on an annual basis based on the achievement of predetermined performance. The provision is an estimate of the amount due to staff in the service of the Company at reporting date.

**10 Operating profit**

	2015 R	2014 R
Operating profit is stated after:		
Income		
(Loss) on foreign exchange	(7 164)	(6 778)
Rental income		
Vexicure Proprietary Ltd t/a Westin	3 020 951	2 662 816
Expenditure		
Auditors' remuneration – Audit fee	1 028 877	958 837
Bad debts recovered	(611 141)	(58 493)
Depreciation (property, plant and equipment)	22 968 436	20 874 566
Repairs and maintenance on property, plant and equipment	7 775 553	6 390 046

**11 Revenue from exchange transactions**

Commissions	12 195 725	11 247 550
Parking	11 576 455	7 358 940
Sales	166 227 657	153 255 709
	<b>189 999 837</b>	<b>171 862 199</b>

**12 Finance income and costs**

Finance income (cash and cash equivalents)	30 836 658	11 279 704
Finance cost (finance costs – financial institution)	(95 104)	(40 633)
<b>Net finance income</b>	<b>30 741 554</b>	<b>11 239 071</b>

**13 Taxation****13.1 South African normal taxation**

Current year	20 500 849	10 571 948
Under provision prior year	281 089	118 506
Deferred taxation (refer note 4)	(2 205 641)	(2 438 797)
<b>Taxation</b>	<b>18 576 297</b>	<b>8 251 657</b>

**13.2 Reconciliation of effective tax**

Profit before taxation	60 719 167	25 809 251
Tax at statutory rate (28%)	17 001 367	7 226 590
Non-deductible permanent differences	1 804 982	1 521 273
Disallowed expenditure	28 018	93 417
Prior year under provision of current tax	281 089	118 506
Other adjustments	(539 159)	708 129
<b>Effective tax</b>	<b>18 576 297</b>	<b>8 251 657</b>



## 14 Notes to the cash flow statement

### 14.1 Cash generated from operations

	2015 R	2014 R
Profit before taxation	60 719 167	25 809 251
Adjustment for:		
Depreciation	22 968 436	20 874 566
Finance income	(30 836 658)	(11 279 704)
Asset write off	109 288	499 316
Finance costs	95 104	40 633
Increase in provision for bonuses	115 063	560 911
(Decrease) in provision for impairment of receivables from exchange transactions	(1 736 818)	(505 152)
	<b>51 433 582</b>	<b>35 999 820</b>
Movements in working capital		
(Increase)/decrease in inventories	(697 142)	51 643
(Increase)/decrease in receivables	(14 504 195)	2 974 021
Increase in payables	31 576 838	3 651 166
	<b>67 809 083</b>	<b>42 676 650</b>

### 14.2 Taxation paid

Balance at beginning of year	31 020	919 621
Taxation charged to income statement	20 781 938	10 690 454
Balance at end of year	(1 058 576)	(31 020)
	<b>19 754 382</b>	<b>11 579 055</b>

## 14.3 Cash and cash equivalents

	2015 R	2014 R
Cash and cash equivalents consist of cash on hand and balance with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Current accounts	9 703 234	6 794 413
Call and investment accounts	544 861 808	348 132 176
Petty cash	5 500	5 500
Cash float	61 000	61 000
Cash on hand	-	6 392
<b>Cash and cash equivalents</b>	<b>554 631 542</b>	<b>354 999 481</b>
The following bank and investment accounts were held by the entity:		
Nedbank – Current Account (Acc Number: 1232043850)	3 117 879	1 354 623
Nedbank – Call Account (Acc Number: 03/7881544007/46)	-	5 358 848
Nedbank – Investment Account (Acc Number: 03/7881544007/000100)	14 365 969	13 463 890
Nedbank – Investment Account (Acc Number: 03/7881544007/000101)	10 066 164	-
Nedbank – Money Market Fund (Acc Number: (1766000029) 03/7881111917/00006)	41 603 718	39 116 731
ABSA Bank – Current (Acc Number: 4072900553)	4 384 298	2 871 804
ABSA Bank – CTICC East – Current (Acc Number: 4072900228)	706	80 320
ABSA Bank – Exh Serv – Current (Acc Number: 4072900731)	103 917	497 501
ABSA Bank Treasury (Acc Number: 4073731246)	62 405	59 980
ABSA Bank Treasury (Acc Number : 4073733701)	2 034 029	1 930 185
Absa Bank – Call Deposit (Acc Number: 4074708347)	7 294 734	4 876 473
Absa Bank – Fixed Deposit (Acc Number: 34942428)	-	-
Stanlib – Corporate Money Market Fund (Acc Number: 000-402-184 (1199539) 551436367)	9 996 168	7 328 184
Stanlib – Corporate Money Market Fund (Acc Number: 000-402-184 (1199539) 552166459)	17 031 832	24 116 007
Standard Bank Investment Account (Acc Number: (97212) 486008)	12 473 075	21 381 159
Standard Bank Investment Account (Acc Number: (97212) 486007)	10 261 805	-
Standard Bank Investment Account (Acc Number: (97212) 490390)	12 744 348	18 292 466
Absa Bank– Investment New 2 (Acc Number: (506009 4072900553) 48518474)	21 961 797	20 644 038
Absa Bank– Investment New 1 (Acc Number: (506009 4072900553) 44699506)	10 307 904	18 582 881
Absa Bank– Investment New 1 (Acc Number: (506009 4072900553) 47954355)	9 452 767	-
Nedbank – Three Month Deposit (Acc Number: 03/7881544007/000102)	15 485 004	14 560 415
Investec – Corporate Money Market Fund (Acc Number: (462097) 1008645)	10 112 730	17 098 572
Investec – Corporate Money Market Fund (Acc Number: (462097) 1037793)	16 018 647	23 082 211
ABSA Bank – Call Deposit (Acc Number: 4083941322)	35 925 224	19 563 850
Nedgroup – Money Market Fund – (Acc Number: (1800167964) 8319631)	35 370 266	15 306 332
Nedgroup – Corporate Money Market Fund C2 (Acc Number: (800190652) 8330496)	40 380 865	18 102 441
Nedgroup – Money Market Fund Class C2 (Acc Number: (800190652) 8330497)	35 528 273	24 118 777
Absa Bank – Fixed Deposit (Acc Number: 506009 4072900553 – 44893640)	32 024 611	30 092 877
Absa Bank – Money Market Fund (Acc Number: 9295637051)	21 169 332	13 046 024
Absa Bank – Guarantee (Acc Number: (506009 4072900553) 43939765)	125 286 575	-



## 15 Expenses by nature

	2015 R	2014 R
Depreciation	22 968 436	20 874 566
Employee related costs (note 17)	42 935 049	40 254 736
Changes in inventories	697 142	(51 643)
Raw materials and consumables used	23 922 959	23 237 478
Marketing and advertising costs	4 858 342	5 405 429
Other expenses	72 380 209	72 016 898
<b>Total cost of sales and operating expenses</b>	<b>167 762 137</b>	<b>161 737 464</b>

## 16 Related parties

### 16.1 Holding company

The Company is controlled by the City of Cape Town, which owns (69.9%) of the Company's shares. The remaining shares are held by the Western Cape Government (21.9 %) and SunWest International (Pty) Ltd (8.2%). 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 R 100 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.

#### Related party transactions

Rates and taxes	4 843 818	4 571 149
Electricity	10 406 397	9 773 739
Water	963 682	913 246
Lease P1 Parking (including refuse, sewerage, rates and water)	3 100 676	2 853 339
Y-Waste Solutions CC*	48 897	46 438

#### Related party balances

Amounts owing to City of Cape Town	1 302 609	1 294 195
Amounts due by City of Cape Town**	22 747 307	–

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

\*\* The amount due from the City of Cape Town relates to the second basement of the expansion.

## 16.2 Subsidiary

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

	2015 R	2014 R
<b>Director's remuneration</b>		
Non-Executive director's remuneration*		
Director 1	35 432	35 346
Director 2	13 888	46 777
Director 3	39 694	50 237
Director 4	54 667	63 217
Director 5	43 782	48 538
Director 6	35 968	42 694
Director 7	57 416	71 801
Director 8	35 023	8 874
Director 9	36 151	13 890
Director 10	-	11 894
Director 11	-	27 900
Director 12	-	19 577
	<b>352 021</b>	<b>440 745</b>

\*The comparatives have been re-presented in accordance with the CIPC ruling.

### CEO

Basic salary	1 671 455	1 455 816
Bonus	-	205 314

### Key Management remuneration

#### Operations

Basic salary	963 820	1 199 063
Bonus	152 666	175 975

#### Commercial

Basic salary	1 205 375	1 120 593
Bonus	142 459	164 310

#### Finance

Basic salary	1 287 613	1 196 627
Bonus	151 885	175 083

## 17 Employee-related costs

Salaries and wages	33 041 294	29 861 194
Contributions for UIF, WCA, Medical aid, etc	2 867 492	2 575 615
Provident fund	2 804 956	2 485 478
Overtime	729 070	750 535
Performance bonus	2 242 647	2 783 859
Other: staff transport and health and safety costs	1 249 590	1 798 055
<b>Total employee-related costs</b>	<b>42 935 049</b>	<b>40 254 736</b>

## 18 Irregular and fruitless and wasteful expenditure

### 18.1 Fruitless and wasteful expenditure

Opening balance	-	146 129
Fruitless and wasteful expenditure certified as irrecoverable by the board	-	-
Amount recovered	-	(146 129)
<b>Closing balance awaiting recovery</b>	<b>-</b>	<b>-</b>



## 19 Operating Leases

### 19.1 Lessee

2015	1yr	2-5yrs	5yrs+
<b>Future minimum lease payments (ZAR) (incl. VAT)</b>	<b>2 560 417</b>	<b>11 872 827</b>	<b>295 552 771</b>
2014			
Future minimum lease payments (ZAR) (incl. VAT)	2 420 059	11 221 976	299 350 013

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 85 years 5 months.
2. City of Cape Town - 50 year lease of P1 parking garage, remaining term 36 years 3 months.

### 19.2 Lessor

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

## 20 Budget information

### 20.1 Explanation of variances between approved and final budget amounts

The budget is approved on an accrual basis by nature classification. The approved budget covers the fiscal period from 01 July 2014 to 30 June 2015. Both the budget and the accounting figures are prepared on the same basis.

The variances between the approved and final budgets are mainly due to the adjustment of:

- an increase in revenue due to additional short term business gained.
- an increase in finance income due to a delay in the spending of funding for the expansion.
- an increase in indirect costs in personnel and building costs.

### 20.2 Explanation of variances greater than 5% and greater than R1 million: Final budget and actual amounts

#### Statement of financial performance

#### (i) Revenue (R12 785 808)

Due to additional revenue gained from secondary revenue sources such as catering and other services.

#### (ii) Other Income (R2 403 411)

Mainly due to cancellation fee income for the year.

#### (iii) Finance income (R10 307 286)

Due to steady interest rate earned from favourable cash balances.

#### (iv) Indirect expenditure (R16 206 149)

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.

Advisors cost savings due to tighter control on legal cost spend.

Depreciation savings are due to the timing of capital expenditure.

Marketing and corporate communications savings as a result of trade fairs and related costs and marketing events.

#### (v) Profit before tax for the period (R41 573 030)

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.

Other capex items – The unspent capital expenses relates to the timing of expenditure on the CTICC East expansion programme.

## 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	189 999 837
Other income per statement of financial performance	7 644 810
	<b>197 644 647</b>
Income included in expenses in statement of comparison of budget and actual	<b>(1 720 160)</b>
Revenue per the statement of comparison to budget	189 578 375
Other income per statement of comparison to budget	6 346 112
	<b>195 924 487</b>
<b>Cost of sales and operating expenses</b>	
Cost of sales per the statement of financial performance	23 225 817
Expenses per the statement of financial performance	144 441 217
	<b>167 667 034</b>
Income included in expenses in statement of comparison of budget and actual	<b>(1 720 160)</b>
Finance costs included in indirect expenditure	95 104
Direct costs per the statement of comparison to budget	39 066 078
Indirect costs per statement of comparison to budget	126 975 900
	<b>166 041 978</b>

## 21 Financial instruments

### 21.1 Risk management

#### Foreign exchange risk

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

#### 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.

	2015 R	2014 R
Cash and cash equivalents	554 631 542	354 999 481
Increase/decrease in interest rates	1%	1%
Net surplus (post-tax)	3 993 347	2 555 996



## 21 Financial instruments (continued)

### 21.1 Risk management (continued)

#### Credit risk management

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligation, and arises principally from the Company's customers. The Company's policy is to receive the majority of payment upfront from customers. Any outstanding balances 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:

	2015 R	2014 R
Key accounts customers	1 042 579	3 541 815
Other accounts customers	640 075	785 293
High risk customers	13 836	1 750 654
Related party recoverable*	22 747 307	–
	<b>24 443 797</b>	<b>6 077 762</b>

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

\* The related party recoverable balance is due from the City of Cape Town relating to the second basement of the expansion.

#### Liquidity risk

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

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
<b>2015</b>			
Client deposits	36 429 117	–	36 429 117
Payables and other payables from exchange transactions	12 102 882	39 274 823	51 377 705
	<b>48 531 999</b>	<b>39 274 823</b>	<b>87 806 822</b>
<b>2014</b>			
Client deposits	28 308 347	–	28 308 347
Payables and other payables from exchange transactions	11 815 754	18 666 971	30 482 725
	<b>40 124 101</b>	<b>18 666 971</b>	<b>58 791 072</b>

## 21 Financial instruments (continued)

### 21.1 Risk management (continued)

#### Capital risk management

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

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

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

The gearing ratios at 30 June 2015 and at 30 June 2014 were as follows:

	2015 R	2014 R
Cash and cash equivalents	554 631 542	354 999 481
Less: Payables and other payables from exchange transactions	(51 377 705)	(30 482 725)
Net cash	503 253 837	324 516 756
Total equity	248 920 376	182 800 087
Total capital	752 174 213	507 316 843
Gearing ratio	67%	64%

### 21.2 Financial instruments by category

The accounting policies for financial instruments have been applied below:

#### 2015

##### Assets as per financial position

#### LOANS AND RECEIVABLES

Receivables and other receivables from exchange transactions  
Cash and cash equivalents

25 288 657  
554 631 542

#### OTHER FINANCIAL LIABILITIES

##### Liabilities per financial position

Payables and other payables from exchange transactions  
Client deposits

51 377 705  
36 429 117

#### 2014

##### Assets as per financial position

#### LOANS AND RECEIVABLES

Receivables and other receivables from exchange transactions  
Cash and cash equivalents

7 501 322  
354 999 481

#### OTHER FINANCIAL LIABILITIES

##### Liabilities per financial position

Payables and other payables from exchange transactions  
Client deposits

30 482 725  
28 308 347



## 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.

#### 2015

Total deviations for the year amounted to **R22 952 789**

Listed below are material deviations:

Incident	R
Exceptional/impractical cases	1 724 908
Sole/single provider	5 227 260
Emergency situation	167 538
Minor breaches	15 833 083
	<b>22 952 789</b>

#### 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
	<b>18 797 646</b>

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

Appointment of food waste management services was awarded to Y-Waste Solutions CC (non VAT vendor). The manager's spouse (S. Fourie) is in service of the state (HoD: Department of Economic Development and Tourism) and a non executive director of the Company. The amount of the award was 2015: R48 897 (2014: R 46 438).

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 Western Cape Government Department of the Premier. The amount of the award was 2014: R22 800 and no payment was made for the 2015 financial year.

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 2015: R4 520 259 and no payment was made for the 2014 financial year.

### 23 Events subsequent to year end

The directors are unaware of any events after the reporting date that would materially alter the amounts or disclosure in these annual financial statements.

### 24 Capital commitments

Commitments in respect of capital expenditure

	2015 R	2014 R
<b>Category</b>		
Building enhancements	—	4 930 166
IT and electronic infrastructure	—	310 147
Catering furniture and equipment	—	516 819
Other capex items	720 463 663	35 213 181
<b>Total capital commitments</b>	<b>720 463 663</b>	<b>40 970 313</b>

# DETAILED INCOME STATEMENT

for the year ended 30 June 2015

	2015 R	2014 R
<b>Gross revenue from exchange transactions</b>	<b>189 999 837</b>	171 862 199
Commissions	12 195 725	11 247 550
Parking	11 576 455	7 358 940
Sales	166 227 657	153 255 709
<b>Cost of sales</b>	<b>(23 225 817)</b>	(23 289 121)
Opening stock	1 068 413	1 120 056
Purchases	23 922 959	23 237 478
Closing stock	(1 765 555)	(1 068 413)
<b>Gross profit</b>	<b>166 774 020</b>	148 573 078
<b>Other income</b>	<b>38 481 468</b>	15 684 516
Finance income	30 836 658	11 279 704
Proceeds received from insurance	75 268	85 813
Bad debts	611 141	58 493
Sundry income	6 958 401	4 260 506
<b>Total income</b>	<b>205 255 488</b>	164 257 594
<b>Expenditure (refer to page 164)</b>	<b>(144 536 321)</b>	(138 448 343)
<b>Profit for the period before taxation</b>	<b>60 719 167</b>	25 809 251



## DETAILED INCOME STATEMENT

for the year ended 30 June 2015

	2015 R	2014 R
<b>Expenditure</b>		
Asset write off	109 288	499 316
Auditors' remuneration	1 028 877	958 837
Bad debts (including the movement for provision on impairment of trade receivables)	13 836	—
Bank charges	372 859	1 013 539
Catering materials	3 270 584	3 668 051
Cleaning	6 076 669	4 910 446
Computer expenses	5 116 350	4 951 416
Contract labour	12 854 832	11 544 415
Consulting fees	2 392 888	2 821 244
Depreciation	22 968 436	20 874 566
Directors' remuneration	355 539	445 110
Electricity and water	11 370 079	10 686 985
Entertainment	149 881	185 536
Fines and penalties	21 770	2 201
General expenses	42 731	40 883
Hire of equipment	839 682	794 864
Insurance	1 231 055	1 126 390
Finance costs	95 104	40 633
Legal expenses	1 100 241	2 797 126
Loss on foreign exchange	7 164	6 778
Motor vehicle expenses	25 031	28 633
Marketing and advertising costs	4 858 342	5 405 429
Operational costs	2 022 398	1 717 645
Postage	6 363	2 342
Printing and stationery	183 522	259 108
Rates and refuse	4 843 818	4 571 149
Rental for parking	3 100 676	2 853 339
Repairs and maintenance	7 775 553	6 390 046
Employee related costs (note 17)	42 935 049	40 254 736
Security	5 763 550	5 377 503
Staff welfare	388 335	773 433
Subscriptions	346 253	277 553
Telephone and fax	1 097 515	999 388
Training	895 408	925 332
Travel – local	272 308	383 379
Travel – overseas	604 335	860 992
<b>Total expenditure</b>	<b>144 536 321</b>	<b>138 448 343</b>

# GRI G3.1 CONTENT INDEX



GRI Standard Disclosures		Level of reporting	Location of disclosure
		✓ = full ⊖ = partial	
<b>Profile Disclosures</b>			
1.1	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy.	⊖ <small>(This indicator is partially disclosed as the level of detail is not required by the CTICC stakeholders. However, strategic goals and risks associated with sustainability are included throughout the document and are mentioned by the CEO on page 10 and 11.)</small>	10-11
1.2	Description of key impacts, risks, and opportunities.	✓	4-5; 7, 8, 9, 11, 27, 85, 62-63, 104, 108, 110
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.	✓	14
2.4	Location of organisation's headquarters.	✓	13
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.	✓	13
2.6	Nature of ownership and legal form.	✓	13 - 14
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	✓	14, 26, 27
2.8	Scale of the reporting organisation, including: Number of employees, number of operations, net sales, total capitalisation and quantity of products or services provided	✓	13, 20, 25, 26, 42-55, 58, 65, 134-137
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	✓	14
2.10	Awards received in the reporting period.	✓	22
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	✓	1
3.2	Date of most recent previous report (if any).	✓	1
3.3	Reporting cycle (annual, biennial, etc.)	✓	1
3.4	Contact point for questions regarding the report or its contents.	✓	2
3.5	Process for defining report content.	⊖ <small>(This indicator is partially disclosed as the prioritisation of topics did not change significantly from the previous year. Additional indicators were identified and approved by CTICC management. Additional information on defining content is disclosed on page 1 and inside front cover.)</small>	Inside front cover, 1
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	✓	1
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	✓	1
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 organisations.	✓	1
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.	✓	2, 96
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).	✓	2
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	✓	2
3.12	Table identifying the location of the Standard Disclosures in the report.	✓	165-167
3.13	Policy and current practice with regard to seeking external assurance for the report.	✓	2
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.	✓	101-105
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	✓	101
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.	✓	106



GRI Standard Disclosures		Level of reporting	Location of disclosure
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	✓	111, 113, 116
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 evaluation, the detail of which cannot be disclosed in this report. Executive directors' compensation is linked to performance and details can be found on pages 104 and 157)	104
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	✓	104
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.	✓	101, 105
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.	✓	17, 104
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.	✓	104, 108, 125-127, 131
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	✓	104
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	✓	108
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	✓	11, 22
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations	✓	22, 29, 114
4.14	List of stakeholder groups engaged by the organisation.	✓	114, 115
4.15	Basis for identification and selection of stakeholders with whom to engage.	✓	115
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	✓	28, 114-117
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.	✓	115, 117
<b>Performance Indicators</b>			
<b>Economic</b>			
DMA	Disclosure on management approach: Economic	✓	17, 27, 28, 57, 62, 76, 85
EC 1	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.	✓	58, 134-137
EC 6	Policy, practices, and proportion of spending on locally based suppliers	✓	62
EC 7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	⊖	21
EC 9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	✓	57-61
<b>Environmental</b>			
DMA	Disclosure on management approach: Environmental	✓	67, 79, 86, 90, 92, 96
EN 3	Direct energy consumption by primary energy source.	✓	69
EN 4	Indirect energy consumption by primary source.	✓	67-68
EN 5	Energy saved due to conservation and efficiency improvements.	⊖	68
EN 6	Initiatives to provide energy efficient based products and services and reductions in energy requirements as a result of these initiatives.	✓	68, 92
EN 7	Initiatives to reduce indirect energy consumption and reductions achieved.	✓	68, 92
EN 8	Total water withdrawal by source.	✓	94
EN 16	Total direct and indirect greenhouse gas emissions by weight.	⊖	96
EN 22	Total weight of waste by type and disposal method.	✓	90
EN 26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	⊖	91, 98
EN 29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	⊖	96

GRI Standard Disclosures		Level of reporting	Location of disclosure
<b>Labour Practices and decent work</b>			
DMA	Disclosure on management approach: Labour Practices and decent work	✓	20, 21, 79, 109, 116
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	⊖	20
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	⊖	20
LA4	Percentage of employees covered by collective bargaining agreements.	✓	116-117
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 programs.	✓	109
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	⊖	110
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	✓	110
LA10	Average hours of training per year per employee by gender, and by employee category.	⊖	79
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	✓	81
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.	✓	20, 106
<b>Human Rights</b>			
DMA	Disclosure on management approach: Human rights	✓	62, 112, 116
HR 3	Total hours of employee training on policies and procedure concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	✓	112
HR 5	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.	✓	112, 116-117
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	⊖	112
<b>Society</b>			
DMA	Disclosure on management approach: Society	✓	70, 111, 112, 107
SO1	Percentage of operations with implemented local community engagement, impact assessment, and development programmes	✓	70, 72-75
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	⊖	112
SO4	Actions taken in response to incidents of corruption.	✓	111
<b>Product Responsibility</b>			
DMA	Disclosure on management approach: Product Responsibility	✓	108, 110, 113
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	✓	108-109
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	✓	81

# UNITED NATIONS GLOBAL COMPACT INDEX

## UNGC Global Compact

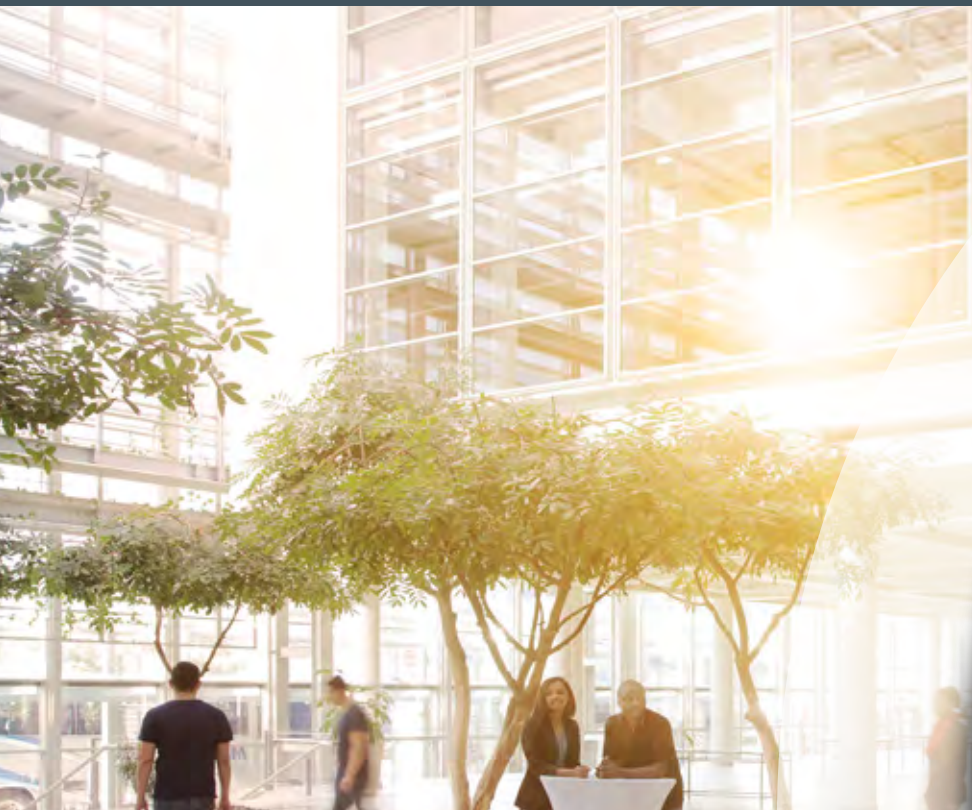
1	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	✓	21, 112, 116
2	Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.	✓	111, 116
3	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	✓	116-117
4	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour.	✓	112
5	Principle 5 – Businesses should uphold the effective abolition of child labor.	✓	112
6	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	✓	21
7	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	✓	86
8	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	✓	90-98
9	Principle 9 - Businesses should encourage the development and diffusion of environmentally friendly technologies.	✓	68-69
10	Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery	✓	111



## Committed to responsible paper use

In line with the CTICC's environmental sustainability commitment, only a limited number of printed versions of this 2015 Integrated Annual Report have been produced. All of these printed reports, as well as the housing devices for the electronic (USB) copies of the report, have been printed on paper stocks that are approved by the Forestry Stewardship Council (FSC). The electronic version of this report can be downloaded in Adobe PDF format from [www.cticc.co.za](http://www.cticc.co.za).





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