



**CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD**

## **ANNEXURE 32**

# **CAPE TOWN INTERNATIONAL CONVENTION CENTRE (MUNICIPAL ENTITY) – BUSINESS PLAN**



2020/21

# BUSINESS PLAN



we are a green conscious convention centre

*Experience Extraordinary*  
Cape Town International Convention Centre

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# SECTION ONE

## Highlights



Section One | Highlights

For its 2020/21 financial year, the CTICC will focus its operations to achieve the following targets



## SECTION TWO

# Executive Summary



# EXECUTIVE SUMMARY



## Introduction

The Cape Town International Convention Centre (CTICC) was established in 2003 with the very clear purpose of contributing to economic growth and job creation in the city and province through the hosting of international and national conferences, meetings, exhibitions and events. Since then the centre has not only met but exceeded those expectations on every level.

## Contribution to Economy

As it approaches its 17th year of operations, the CTICC has sustained more than 130 000 direct and indirect jobs since inception and contributed a considerable R47.7bn to South Africa's Gross Domestic Product (GDP), of which over R39.6bn was injected directly into the Western Cape's Gross Geographic Product (GGP).

As it enters its third year of operations in 2019/20, CTICC 2 continues to support our purpose and growth outlook, as well as the city's objective of establishing Cape Town as Africa's top business events destination. The increased capacity and flexibility of physical space allows for higher delegate numbers, as well as increased the variety of events that can be held concurrently. This provides a significant boost to Cape Town's global standing as a premier world-class meetings and events destination.

**R47.7bn**  
South Africa's Gross  
Domestic Product (GDP)



**R39.6bn**  
Western Cape's Gross  
Geographic Product (GGP)





Section Two | Executive Summary



● Centre for Knowledge Exchange and Service Excellence

In this highly competitive market, the CTICC has sought to differentiate its offering from those of its industry peers through a focus on high standards, service excellence and leadership in triple-bottom-line sustainability. There is a strong commitment to innovation, customer centricity and, importantly, financial sustainability. This, along with an active pursuit of events that support the 'knowledge economy', has bolstered the CTICC's importance as a significant contributor to the local and national economy.

There is no doubt that economic growth is increasingly dependent on intellectual capital and we believe that the CTICC has a significant role to play in providing a platform for knowledge exchange and rigorous debate, not only in South Africa but also the broader global economy.

To this end, many of the 560 events hosted by the CTICC in the 2018/19 financial year, especially the international conferences, supported the advancement of industries identified as key catalytic sectors by the City of Cape Town and Western Cape Government for trade, investment and growth. By attracting global associations and experts to the city for these events, the CTICC makes a vital contribution towards growing essential expertise, knowledge and skills.

This document represents the CTICC's Business Plan for the 2020/21 financial year, based on the CTICC's stated purpose: to create jobs by attracting events in key economic sectors and exceeding our clients' expectations.

As a state-owned entity, this business plan is aligned with the City of Cape Town's Integrated Development Plan (IDP), as well as the Western Cape Government's Economic Growth Strategy, and is guided by their key principles.

For context, the 2020/21 plan includes an organisational overview of the CTICC and the core reasons for its formation. The CTICC operates in a challenging global context and the market analysis section of this plan provides insight into the broader market environment.

## Section Two | Executive Summary



### Financial Management

Over the past number of years, the CTICC has managed to generate positive growth in revenue and operating profit before interest, taxation, depreciation and amortisation (EBITDA), despite various challenges facing the region and industry. The budget for the 2020/21 financial year has been compiled by management, taking into account known factors, risks and forecasted micro- and macro-economic indicators.

Total revenue excluding interest is forecast at R293.6-million, an increase of 5.3% on the prior year. The growth is predicted despite the pressure from clients for lower rentals, year-on-year reduction in delegate numbers, competition from hotels and other venues for smaller events and the impact of the drought and load-shedding. EBITDA for the period is forecast at R12.1-million, a decrease of 35.8% on the prior year. The reduction in EBITDA is directly related to the current operating environment, with management endeavouring to achieve cost reductions and containment, improve efficiency and productivity and maintain excellent customer service.

The CTICC has always been in the enviable position of generating its own financial resources, which fund its growth through re-investing for the future, the only exception being the major expansion of CTICC 2. This trend is predicted to continue for the foreseeable future and is reflected in the three-year budget.

The CTICC's overall impact is not judged solely on its own financial results but the overall benefit to the citizens of Cape Town, the Western Cape and South Africa, which is best reflected in the contribution to GDP, as mentioned previously.

Each business unit has an implementation framework and a detailed action plan for the next year, which supports overall business objectives. These unit strategies support the core business strategy and explain how key performance indicators will be achieved and how each unit will contribute to the sustainability of the organisation.

Given the centre's economic mandate, the CTICC is focused on expanding its international reach. Sales, client relations and marketing strategies are in place to, firstly, keep the CTICC top of mind with key role-players and decision makers and, secondly, position the CTICC as a venue that has the staff and skills, track-record and vision to deliver and exceed clients' expectations. We have several client engagements planned, nationally and particularly internationally, to support this strategy. The CTICC is committed to meeting and exceeding its event numbers, particularly for international events, and achieving all KPIs set.

Section Two | Executive Summary



● Reinvestment in the Business

From a facilities-management perspective, the CTICC is geared to maintain its close to 100% spend on capital expenditure and has refined its business process in this regard.

A high-quality, contemporary food-and-beverage offering plays an essential role in the success of the CTICC. It is through this major touch point that most of our clients and visitors experience our world-class service.

The CTICC focuses on producing an exceptional culinary experience with quality food and personalised service, while maintaining strict food safety and hygiene standards. In 2019/20, the centre maintained its ISO 22000 certification (food safety management). This certification will help our food and beverage offering meet exacting international standards. We are geared to remain competitively priced and aligned to the latest trends in order to ensure a competitive advantage.

From an IT perspective, the CTICC will continue to place significant focus on support services and infrastructure projects, to enhance service delivery. A number of upgrades will be done to enhance the initial system integration between the buildings (CTICC 1 and CTICC 2), with a focus on driving standardisation and support of a common platform for the complex.

Having successfully trialed the deployment of cloud technology for the implementation of a cashless system for the Cape Town International Jazz Festival in 2018, the CTICC recognises the associated benefits of moving towards the cloud. This method of computing will be further enhanced during the upcoming year for an expanded level of cashless payment systems. Cyber security remains top of our ICT agenda, supported by continual advancement of the disaster recovery programmes.

**ISO 22000**  
Achieved for Food  
Safety Management

## Section Two | Executive Summary



### Staff Engagement

The CTICC is committed to creating a culture of employee engagement by providing information, resources and services to staff that promote collaboration, connection and commitment to their work, colleagues and the objectives of the centre. The focus will be on championing employee wellness, work- life balance and employee incentive options as cost-effective workforce strategies.

### Audit Outcome

The CTICC has achieved an unqualified audit report with no findings, i.e. a clean audit, for the past seven consecutive years and remains committed to managing and regulating processes throughout the organisation to maintain this record. Procurement from B-BBEE companies is a priority and the CTICC has not only met but exceeded targets set and will continue to strive to increase our procurement from B-BBEE and women owned enterprises.



### Ethical Business Culture and Governance

We are committed to upholding and building an ethical business culture. As a sign of this ongoing commitment, the CTICC subscribes to the United Nations Global Compact (UNGC) and adheres to the ten guiding principles in support of a principled approach to doing business.



United Nations  
Global Compact

The CTICC is privileged to have an experienced and stable Board of Directors that directs and governs the centre based on its mandate to be self-sustaining and contribute to economic growth and job creation.

The CTICC and its Board of Directors are committed to upholding good ethical standards and the application of corporate governance principles in accordance with the King IV Report on Corporate Governance for South Africa, 2016. As an adaptor of 'King IV', the Board ensures that governance structure in the centre cultivates good governance outcomes in relation to ethical culture, performance, effective control and legitimacy.

## Section Two | Executive Summary

### ● Cautionary Note

The 2020/21 Business Plan and Budget has been drafted giving due consideration to all factors that could impact on the CTICC being able to achieve the objectives set out therein. These objectives include the financial information relating to the budget and non-financial targets as detailed in Section 3.5 (Table 3 – CTICC Key Performance Indicators (KPI's)).

The achievement of the targets set out in the 2020/21 business plan is based on various assumptions made in relation to uncertainties for the future period. Amongst the uncertainties are the 2 matters detailed below which could have an impact on the targets set.

#### 1. Coronavirus Epidemic

The 2020/21 Business Plan was based on the assumptions that :

- Existing Contracts of Hire which are in place will proceed unabated;
- However, due to the recent Coronavirus (COVID-19) epidemic, it is anticipated that there will be a number of cancellations, postponements or reduced delegate attendance experienced within the near future that will affect the financial projections, as well the non-financial targets such as event numbers.
- This will have a direct impact on the KPI targets, as previously agreed to between the CTICC and the shareholders.
- The reduced delegate numbers will in turn also have a negative economic impact on the GGP and GDP.

#### 2. CTICC 2 Interface

- Construction of the CTICC 2 (including CTICC interface area) would be completed by 30 September 2020 providing CTICC with a fully functional venue.
- The Remote Marshalling Yard would be complete and functional by 30 June 2020 allowing for loading and unloading CTICC 2.
- However, the anticipated work on the Cornucopia Trust Interface (not in the control of the CTICC) will have an impact on the build-up and breakdown of the events for the duration of the Cornucopia interface project. This will affect our financial and non-financial KPIs (e.g. Customer Satisfaction Index)

## SECTION THREE

# About the CTICC



# ABOUT THE CTICC



When the CTICC opened its doors in 2003, it was widely anticipated that visitors from around the world would be welcomed to this attractive new venue in Cape Town. Those aspirations have been met on all levels. After 16 years, the CTICC has become an iconic attraction on the business tourism map of Cape Town, South Africa and indeed Africa.

The centre continues to operate in the following trade segments: international conferences, national conferences, exhibitions, trade fairs, banquets and special events, as well as film shoots and other events.

The value of any internationally competitive convention centre is measured by its economic contribution and financial stability. For a convention centre to contribute significantly and sustainably to an economy, it needs to be invested in that economy and its people.

Since its inception, the CTICC has injected more than R47bn into the national Gross Domestic Product (GDP), with over R39bn contributed directly to the Western Cape economy. More than 130,000 jobs have been created, and sustained, since its inception.

The CTICC must remain internationally competitive. The centre's expansion 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 of Cape Town's Integrated Development Plan objective of establishing the city as Africa's business events destination.



Section Three | About the CTICC

CTICC 2 has 31 148m<sup>2</sup> gross space, which includes 10 000m<sup>2</sup> of multi-purpose conference and exhibition space, as well as almost 3 000m<sup>2</sup> of formal and informal meeting space, thus doubling the previous exhibition capacity, which is essential for the growing demand of events to be met.

The CTICC has a reputation for excellence, often leading the way in the quest for improved systems, functionality and sustainability. It maintains four internationally recognised management-system certifications (ISO 9001, 14001, 18001 and 22000). The centre retains a Hazard Analysis Critical Control Process (HACCP), has maintained its Tourism Grading Council 5-star rating and achieved Gold AIPC (International Association of Convention Centres) quality standard certifications.

The CTICC has recently transitioned to the newly enhanced ISO 9001:2015 and ISO 14001:2015 standards that apply the Annex SL management structure. We anticipate that the enhanced ISO 45001 will replace the current OHSAS 18001 standard with the same Annex SL management structure, aligning our existing system with a higher structural level of management. The CTICC will transition to this new ISO 45001 in Occupational Health and Safety by 2021.

The CTICC's broader corporate sustainability is underpinned by ethical business practices and principled values. Its adherence to the United Nations Global Compact principles also means operating in ways that meet international responsibilities in the areas of human rights, labour, environment and anti-corruption measures.

As a municipal entity, the CTICC is expected to deliver against a set of key performance indicators (KPIs) that are agreed between the centre and the City of Cape Town on an annual basis. Year-on-year, the CTICC is required to meet and exceed these targets.

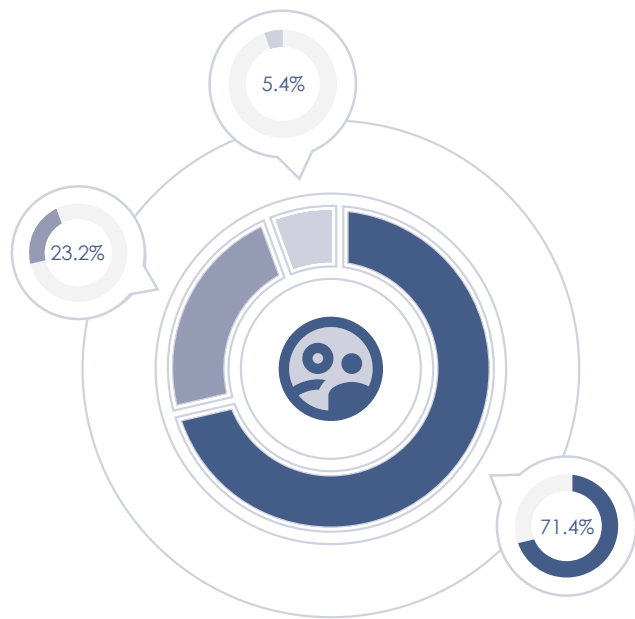
3.1 Shareholding Structure

The Cape Town International Convention Centre Company (Convenco) is a state-owned company (ring-fenced). Convenco was formed in 1999 through a collaboration between the City of Cape Town, the Western Cape Government and the private sector.

The primary objective behind the formation of the company was to deliver a world-class international convention centre in Cape Town that would provide meeting, convention and exhibition services and facilities for local and international organisations and their delegates.

It was envisaged by the Convenco co-founders that the CTICC would have a sustainable positive impact on the economic and social development of Cape Town, the Western Cape and South Africa.

Financing of the expansion phase has resulted in changes to the shareholding proportion as illustrated in the graph alongside.



Graph 1: Shareholding Structure

- 71.4%  
City of Cape Town
- 23.2%  
Western Cape Government
- 5.4%  
SunWest International (Pty) Ltd





Section Three | About the CTICC

3.2 CTICC's Purpose, Mission and Values

 Purpose

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

 Mission

We will bring our vision to reality by:

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

 Values

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

- Passion – We live to go beyond.
- Innovation – We create magic that gives us the edge.
- Integrity – We are transparent in all our actions.
- Excellence – We create superior experiences.
- Gratitude – We are appreciative of the opportunities provided by the CTICC, the City of Cape Town and the country we live in.
- Caring – We care for one another, our clients, our business, our building and our equipment.

The CTICC aims to achieve its purpose by being a truly inspirational business that sets the global standard for excellence in business practices, hospitality and event hosting, both locally and internationally. Doing business ethically remains at the core of our corporate culture. Driving the knowledge economy and skills exchange are imperative in terms of focusing on key economic sectors of the City of Cape Town and the Western Cape Government.

Of the more than 7 900 events hosted by the CTICC over the past 16 years, 614 were international association conferences across a broad spectrum of sectors, including the priority sectors for trade and investment growth as identified by the City of Cape Town and Western Cape Government below and further illustrated in the table alongside on page 17:

- **Productive sectors:**  
Oil & gas, tourism, agro-processing, business process outsourcing, renewables, and film.
- **Enabling sectors:**  
Electricity, water, ICT, logistics and financial services.
- **Social sectors:**  
Education and health.

By attracting global associations to the city for these events, the CTICC is making a vital contribution towards growing expertise, knowledge and skills in all these areas in Cape Town, the Western Cape and South Africa, thereby strengthening local, regional and national competitiveness and potential.



Section Three | About the CTICC
















3.3 Strategic Alignment with City of Cape Town's Integrated Development Plan (IDP)

The CTICC is committed to ensuring its activities align and support the City of Cape Town's IDP. As a municipal entity, the CTICC is required to submit, along with the annual budget, a multi-year business plan that sets key financial and non-financial performance objectives and measurement criteria. The mandate of economic growth, job creation, and driving the knowledge economy remains at the core of what the CTICC does.

The illustration below outlines the alignment between the CTICC and the City of Cape Town. The CTICC's business strategy is geared towards driving the knowledge economy and contributing to growth in the key economic sectors identified by both the City of Cape Town and the Western Cape Government as strategic areas for job creation and economic growth.

Strategic economic sectors include:

-  Oil and Gas
-  Tourism
-  Agro-processing
-  Business Process Outsourcing
-  Renewables
-  Film
-  Electricity
-  Water
-  ICT
-  Logistics
-  Financial Services
-  Education
-  Health

Section Three | About the CTICC



City of Cape Town  
2017-'22 IDP Focus Areas



Cape Town International  
Convention Centre

CTICC Objectives

Table 1:  
CTICC's business objectives aligned  
to the City of Cape Town's IDP focus

The Opportunity City

- Economic Growth and Job Creation
- Infrastructure-led growth and development
- Promote a sustainable environment
- Leverage assets to drive economic growth
- Training and skills development

The CTICC aims to maximise economic impact and job creation through:

- Driving the knowledge economy and skills exchange
- Attracting more meetings and events to Cape Town
- BBBEE procurement of no less than 60%
- Partnering with business tourism role-players
- Creating new strategic business opportunities.

CTICC 2 has added 10 000m<sup>2</sup> to existing exhibition space and approximately 3 000m<sup>2</sup> of formal and informal multi-purpose meeting space. This will allow the CTICC to service high levels of demand by hosting more events concurrently. The expanded facility also supports our commitment to the knowledge economy and economic growth.

The CTICC places a priority on integrating economic, social and environmental sustainability into every aspect of its business. The triple bottom line approach is informed by a comprehensive environmental policy and monitored by a dedicated sustainability committee.

The CTICC's purpose is to contribute to and drive economic growth and job creation, and this mandate is achieved year-on-year.

To create and maintain a highly capable and talented team requires a multi faceted approach and we employ a system of continuous- training, rewards, recognition and mentorship, as well as a focus on our employees' financial and physical wellness. Service excellence is further enhanced through the continuous innovation of technology and processes.

The Safe City

We believe that for a safe experience, the safety of our visitors and staff members must be addressed in the wider environment. The CTICC is a member of the Cape Town Central City Improvement District (CCID) and pays a monthly fee for cleaning and security within the precinct and during large events. We also have measures in place to ensure a safe environment on the premises.

The Caring City

The CTICC is committed to uplifting and empowering the local community. We support five key Local Community Partners that are aligned with sectors related to CTICC operations. Our focus on volunteerism encourages our staff, suppliers and clients to assist our Local Community Partners through activations and direct skills exchange. The CTICC is also involved in a number of broader community initiatives.

The Inclusive City

The CTICC contributes to transformation and ensures inclusivity by consistently meeting and exceeding the target of no less than 60% expenditure with BBBEE suppliers, women-owned businesses and SMMEs.

The Well-run City

We contribute to a well-run city through our compliance with MFMA and other legislation, in accordance with the King IV Report on Corporate Governance for South Africa ("King IV™") as well as our risk-identification and management processes. We are proud of our seventh clean, unqualified audits.



Section Three | About the CTICC

3.4 Key Performance Indicators 2020/21

As a results-driven organisation, much emphasis is placed on the attainment of targets, firstly at an organisational level, and then cascading down to departmental and finally to individual performance assessments. This system of performance management is integral to achieving financial and non-financial targets. The CTICC’s performance is measured by the City of Cape Town against a set of KPI’s that are reviewed annually by the stakeholders.

The table below illustrates the agreed KPIs for the financial year 2020/21:

Table 2:  
CTICC Key Performance Indicators (KPIs)

Category	Measurement	Annual Target 2018/19	Actual 2018/19	Annual Target 2019/20	Annual Target 2020/21	Annual Target 2021/22	Annual Target 2022/23
1	Operating Profit/(Loss) before Tax	100%	722%	100%	100%	100%	100%
2	Capital Projects	90%	97%	90%	90%	90%	90%
3	Capital Expenditure (CTICC 2 Expansion)	100%	100%	100%	n/a	n/a	n/a
4	Quality Offering	Achieve 5-star tourism grading	5-star tourism grading achieved	Achieve 5-star tourism grading	Achieve 5-star tourism grading	Achieve 5-star tourism grading	Achieve 5-star tourism grading
5	Events	535	560	545	555	565	570
6	International Events	32	34	34	35	35	35
7	External Audit Report	Clean Audit Report (2nd Quarter)	Clean Audit Report for 2017/2018 financial year achieved	Clean Audit Report (2nd Quarter)	Clean Audit Report (2nd Quarter)	Clean Audit Report (2nd Quarter)	Clean Audit Report (2nd Quarter)
8	Human Capital Development	5%	6%	5%	5%	5%	5%

Section Three | About the CTICC

3.4 Key Performance Indicators 2020/21 (continued)

Category	Measurement	Annual Target 2018/19	Actual 2018/19	Annual Target 2019/20	Annual Target 2020/21	Annual Target 2021/22	Annual Target 2022/23
10	Customer Centricity and Service Excellence	80%	84%	80%	81%	82%	82%
11	Procurement	Percentage spend not lower than 60%	86%	60%	60%	60%	60%
12	Financial Ratios:						
	• Ratio of cost coverage maintained (RCC)	Total cash and investments, less restricted cash for monthly operating expenditure RCC = 5.0 times	10.0 times	7 times	5 times	5 times	5 times
	• Net debtors <sup>3</sup> to annual income (ND)	Net current debtors divided by total operating revenue ND = 7.0%	1.3%	2.0%	2.5%	2.5%	2.5%
	• Debt coverage by own billed revenue (DC)	Total debt divided by total annual operating income DC = 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Student Programme contribution to youth employment and skills development	6	14	6	8	10	10
14	Graduate Programme contribution to youth employment and skills development	6	11	6	7	8	8
15	Number of people from the employment equity target groups employed in the three highest levels of management in compliance with the Municipal Entity's Approved Employment Equity Plan	80%	80%	80%	80%	80%	80%

- 1 Operating profit is defined as earnings before interest, taxation, depreciation and amortisation.
- 2 Clean audit is defined as an unqualified audit report with no material findings on compliance with laws and regulations, and predetermined objectives.
- 3 Nett debtors are defined as gross trade debtors after impairment.

Section Three | About the CTICC

3.5 Situational Analysis 2020/21

Macro Environment

An ever-changing macro environment presents a complex and dynamic context for the CTICC, consisting of six sub-environments or variables, namely political, economic, social, technological, legal and environmental (PESTLE). This PESTLE analysis highlights the CTICC's current environment and the implications for the business.

Table 3:  
**PESTLE Analysis**

 Political	<ul style="list-style-type: none"> <li>International political instability</li> <li>Negative perception from international clients</li> <li>Governmental support – National Convention Bureau</li> <li>(Subvention Fund)</li> <li>Synergy with shareholders</li> <li>National and Provincial Elections</li> <li>Lack of support from shareholders</li> </ul>
 Economic	<ul style="list-style-type: none"> <li>Exchange rate fluctuations</li> <li>Geopolitical influences</li> <li>Shift in traditional markets</li> <li>Electricity and fuel costs/ Load shedding</li> <li>Increasing food costs</li> <li>Flight and accommodation costs</li> <li>Subvention – required for bids</li> <li>Staff retention</li> <li>Lack of transport infrastructure</li> <li>American trade restrictions</li> <li>Brexit</li> </ul>
 Social	<ul style="list-style-type: none"> <li>Cultural aspects</li> <li>Perception from society and local communities</li> <li>Sustainability/job creation</li> <li>High rate of poverty</li> <li>Crime</li> <li>Unemployment</li> <li>Homelessness</li> </ul>
 Technological	<ul style="list-style-type: none"> <li>Pace of technology change</li> <li>Adaption to new technology trends</li> <li>Lack of national infrastructure to support new technology</li> <li>Emergence of mobile technology</li> <li>Cyber threats</li> <li>POPI readiness</li> </ul>
 Legal	<ul style="list-style-type: none"> <li>Existing legislation</li> <li>Municipal entity legislation</li> <li>Immigration and visa regulations</li> <li>New labour law legislation</li> <li>POPI &amp; GDPR</li> </ul>
 Environmental	<ul style="list-style-type: none"> <li>Climate-change risks</li> <li>Shortage of energy</li> <li>Water scarcity and associated restrictions</li> <li>Food security</li> </ul>

Section Three | About the CTICC

3.6 Company Analysis

3.6.1 Brand Essence and Brand Positioning

The CTICC views its brand as a connector and a platform for opportunity: a brand that brings people together through the hosting of events that exceed expectations through a culture of customer-centric teamwork.

The CTICC's brand positioning is encapsulated in its purpose: to create jobs by attracting key economic business events and exceeding our clients' expectations. While the CTICC Strategy Pyramid and Value Proposition have been well documented in previous annual submissions, it is important to reinforce its core message. The illustration below has

3.7 Market Attractiveness

The opening of CTICC 2 has allowed the centre to attract a higher volume of large-scale exhibitions and international conferences of 10 000 or more delegates to Cape Town. It also provides the capacity to expand repeat events and international association meetings.

Diagram 1:  
Strategy Pyramid and Value Proposition



Section Three | About the CTICC

Diagram 1:  
3.8 SWOT Analysis

3.8 SWOT Analysis

To remain competitive, it is necessary to constantly monitor the environment and the factors that affect the business, both positively and negatively. This revision of the previous year's SWOT Analysis is useful in guiding the CTICC on how to grow its business, capitalise on opportunities and mitigate risk.

**Strengths**

- Excellent/diverse culinary offering
- High-quality building infrastructure
- Good governance and service ethics
- International standards driven
- Committed and passionate staff
- High-quality in-house service providers
- Diverse and flexible product offering
- Strong brand awareness
- Strong industry commitment to brand and marketing initiatives
- Well-established high-yielding repeat client base
- Competitive pricing relative to long-haul competitors
- Sustainability-conscious organisation
- Good city location and access to high quality amenities
- Lack of similar-sized venue supply in Cape Town for large international conferences, exhibitions/trade fairs
- Diverse accommodation options including surrounding high- end hotels
- Long-standing relationship with suppliers
- Healthy cash reserves
- Development of staff

**Weaknesses**

- IT policy and resources limiting innovation
- Attracting and retaining skilled staff
- Inconsistency of customer service delivery, which impacts on reputation and/or financial loss
- CoCT preventing the CTICC from implementing the approved plans for safe ingress and egress to CTICC 2 off site Marshalling Yard
- SCM constraints which impact on competitiveness
- Difficulty in sustaining ever-changing technology standards

**Opportunities**

- Targeting the South African market for larger incentive groups and corporate business
- There is a limited number of competitors who can host events of more than a 1 000 pax
- Leveraging stakeholder relationships and Cape Town brand initiatives
- Long-term commitment on current target markets
- Growth of Cape Town as a prime destination
- Growing niche and emerging economy markets
- Communicating our product range to new markets
- Enhanced digital strategy
- Use of technology to reduce costs
- Favourable exchange rate

**Threats**

- The impact of the water scarcity on business sustainability
- International demand for short-haul destinations (economic pressure)
- Increased local competition from new venues within Cape Town, including conferencing facilities within hotels
- Increase in crime in the areas surrounding the CTICC and the reduced presence of law enforcement
- Long-term weakness of the rand, resulting in increasing operating costs (equipment, international trade shows, etc.)
- Government regulations and policies (particularly related to labour legislation, land reform, visa regulations, etc)
- Long-haul destination – associated costs and carbon footprint related to travel
- Profit-margin erosion due to factors such as increased costs related to water, food, beverage and labour
- Revenue erosion due to decreasing customer spend and delegate attendance
- Varying business models allow other venues to be more competitive
- Outbreaks of food diseases
- Potential terrorist threats
- Non-payment of City debts
- Implementation of capital works given business demands
- Political instability and the impact of service delivery
- National and Provincial elections
- Competitors not adhering to legislative requirements (i.e. SASRIA Act)

Whilst international meetings and conferences represent higher-yielding business opportunities and greater macro economic benefits than local events, the market-environment analysis indicates that there is a need to have a parallel focus on the CTICC's national market-segments footprint. The CTICC's strategic plan for the future needs to take a holistic approach that maximises opportunities across all market segments.



The background of the page features a blurred image of a person wearing glasses looking at a laptop. Overlaid on this image are various data visualization elements: a line graph with three points, a bar chart with five bars, and two pie charts. The design is accented with large, semi-transparent hexagonal shapes in shades of grey, orange, and black. The text 'SECTION FOUR Sales & Marketing' is prominently displayed in the center-left area.

# SECTION FOUR

## Sales & Marketing

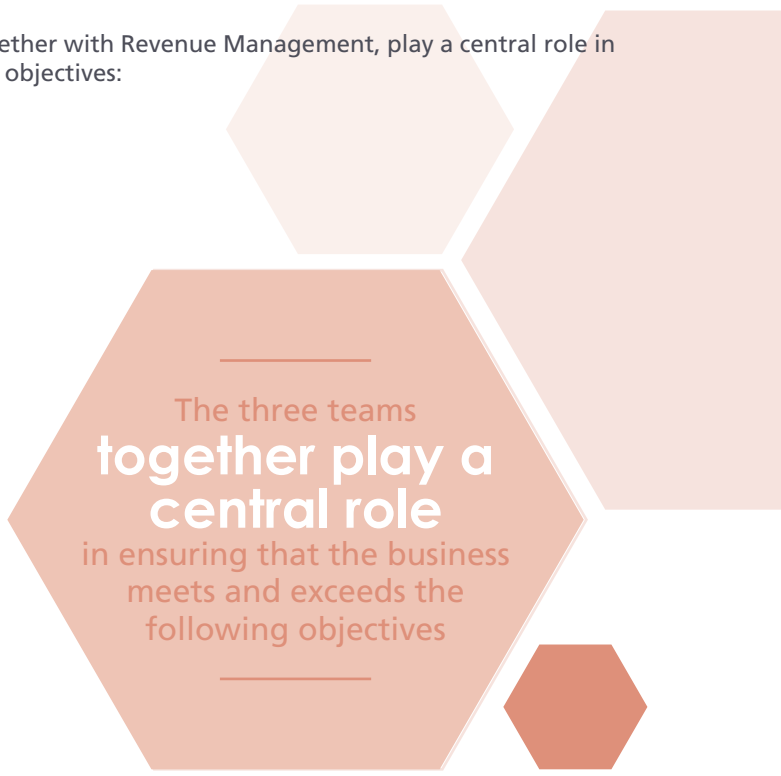
# SALES & MARKETING



According to the findings of the 2018 International Association of Convention Centres (AIPC) Annual Member Survey, the global convention industry continues to grow and this means increased competition for most convention centres. This has also fuelled strong competition from hotels in major cities.

The Sales and the Marketing & Communications' teams, together with Revenue Management, play a central role in ensuring that the business meets and exceeds the following objectives:

-  Maximising revenue
-  Exceeding event number targets for international conferences
-  Positioning the CTICC (and the City of Cape Town) as a highly desirable destination for meetings and events
-  Securing a range of events
-  Exceeding client expectations through service excellence



The three teams  
**together play a central role**  
in ensuring that the business meets and exceeds the following objectives

## Section Four | Sales & Marketing



### Stakeholders/ Shareholders

- The City of Cape Town
- The Western Cape Government
- SunWest International (Pty) Ltd
- CTICC Board Members
- Relevant sector organisations and associations, both regional and global, including Cape Town Tourism, South African Association for the Conference Industry (SAACI), Cape Town and Western Cape Convention Bureau, National Convention Bureau, International Association of Convention Centres (AIPC), The Global Association of the Exhibition Industry (UFI) and International Congress and Convention Association (ICCA), amongst others



### Clients

- International associations and corporations
- National associations
- Professional conference organisers
- Exhibition clients
- Visitors and delegates
- Corporate clients
- Government organisations and embassies
- Event organisers
- Production companies



### Media

- Industry and mainstream online media
- Regional and national print media
- Regional and national radio stations
- Online news portals
- Industry and association websites
- Social media



### CTICC Staff

- Permanent staff
- Contract staff



### Public

- Local communities

## Contributors









who contribute to the success of the CTICC, making it a world-class venue for both national and international events.

Section Four | Sales & Marketing

4.1 Sales

The overarching objective of the Sales team is to increase the CTICC’s competitiveness in the global/long-haul market through successfully bidding for international association conferences, as well as targeting corporate and government events in the region.

As a venue, the CTICC specialises in delivering events in the following segments:

-  International conferences
-  National Conferences
-  Exhibitions
-  Trade fairs
-  Special events  
(sports, cultural and leisure events)
-  Banquets
-  Film and Photo Shoots
-  Other events (workshops, training seminars, exams, product launches, breakfasts, AGMs & corporate roadshows)

In order to attract and host events, the CTICC targets clients and event planners in the following markets:

- International and local associations
- Businesses and corporate organisations
- Exhibition and trade-fair organisers
- Government departments
- International developmental organisations
- Film production companies
- Cultural event organisers
- Music and sports promoters

In the international market, the centre’s primary business will continue to be derived from European and British associations markets but there are opportunities with international associations headquartered in Africa, as well as the American corporate and associations market. Nationally, trade fair, exhibition and national conference segments remain key revenue generators for the business.

The business of securing international conferences involves a bidding process and differs from securing other event segments, where clients book directly with the CTICC.

Associations are a collective of constituted businesses, professions and organisations that have membership within a country and are often affiliated to an international association. These international associations stage larger international conferences (also known as congresses, symposiums and general assemblies) on a regular basis. Often a local representative or association has to bid for the event to take place in their country. Specialised research is required to determine upcoming opportunities for Cape Town (and the CTICC) to bid, the exact bidding process involved, venue requirements, and the national host that would most likely be in a position to extend the invitation. The CTICC works very closely with Cape Town and the Western Cape Convention Bureau, as well as the National Convention Bureau to bid for international conferences.

Lead times can be very long – it is not unusual to have gaps of up to eight years between bids for a particular world congress in order to host it. Although shorter lead times are becoming more prevalent.

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4.1.1 Sales Objectives

- 1 Build and maintain strong client relationships
- 2 Generate leads within the City's catalytic sectors
- 3 Acquire and grow all market segments
- 4 Retain and grow repeat business
- 5 Match trends and tactics to maximise the above objectives

4.1.2 Sales Trends

The top trends internationally and locally in the meetings-and-events sector are as follows:

- 1 Clients require more multi-functional venue capabilities and flexibility, as well as enhanced technology and telecommunications (AIPC)
- 2 Increasing competition requires greater flexibility with lead times, packages and pricing in order to meet challenging client demands and requirements
- 3 Average number of participants per meeting is decreasing (ICCA)
- 4 Local and international corporate meetings have the best growth outlook (AIPC)
- 5 Regional rotation is a growing trend (ICCA)
- 6 Universities are becoming a popular venue choice (ICCA)
- 7 Duration of meetings is getting shorter (ICCA)
- 8 Due to global economic growth, larger countries enjoy the majority of the-market share in trade shows outside of China
- 9 Exhibition visitors have shifted their focus from attending exhibitions to online market places
- 10 Lead times between the bidding and hosting of events are becoming shorter. In the Middle East Africa region there was less profit shown in 2018 than in 2017

Source: 2019 AIPC Member Survey & ICCA 55 Year Trend Report (1963 – 2017), July 2018, UFI Global Exhibitions Barometer 21st Edition

Section Four | Sales & Marketing

4.2 Marketing & Communications

Marketing and communications' focus is to execute external and internal marketing and communication initiatives on behalf of the CTICC. The department supports sales in maintaining relationships with internal and external stakeholders in order to help facilitate the meeting of objectives set out in the business plan.

The CTICC's marketing and communications strategy will continue to integrate CTICC 2 into its product offering and narrative, with the key message being that the CTICC complex boasts a variety of flexible options, while promoting the CTICC's own events. We aim to ensure that in our communications CTICC 1 and CTICC 2 are presented as one complex.

The CTICC will utilise traditional and digital channels employing strategic through-the-line marketing and communication tactics to effectively reach objectives within budget, while also offering the best ROI.

Content is repurposed for each platform, producing the best content for the right audience at the right time. This might be infographics, videos, imagery, gifs, written content or a combination, depending on the platform, budget and ROI.

4.2.1 Marketing & Communication Objectives

The CTICC aims to communicate the fact that it offers more than just flexible venue and catering offerings. It is, in fact, a platform for collaboration and knowledge sharing and wants to be known for creating unique and memorable experiences across all event segments. Marketing and communications messaging will focus on these key messages via the 'Experience Extraordinary' promise.

For the 2020/21 financial year, the key marketing and communication objectives are to:

- 1 Ensure that the delivery of all marketing and communication action plans contributes measurably to the CTICC's overall business development objectives
- 2 Establish viable, business-generating partnerships with selected stakeholders that can leverage our marketing programmes and add value to our business development efforts
- 3 Demonstrate the successes of the CTICC
- 4 Engage effectively with internal and external audiences
- 5 Raise the profile of CTICC amongst key decision makers in local and international markets

4.2.2 Marketing & Communication Trends

We plan and execute a marketing communications strategy that will position the brand with the following trends in mind:

- 1 The convergence of marketing and corporate communication, using an agile marketing approach
- 2 An increased focus on customer experience and understanding buying- behaviour patterns of clients
- 3 Thought leadership and opinion pieces as a larger share of PR budgets
- 4 The continued shift towards digital content, including increased and immediate video content and quality, such as live video streaming and vox pops
- 5 More social media marketing, including curating user-generated content and customer reviews to create communication messages and build brand reputation; and influencer marketing via social review websites

Sources: forbes.com, bizcommunity.com, walkersands.com

## Section Four | Sales & Marketing

### 4.2.3 Communications Tactics

In order for the CTICC to bring marketing to life on all platforms, communications' have to evolve to ensure audiences on the right platforms, receive the right information to make the best possible decision. This includes internal and external communications on traditional and digital media. Thus, the department aims to create strategic content that will best serve the CTICC's purpose.

To facilitate this, the CTICC has a number of tactics, analytics and improvements to implement for communications as a whole:

#### Digital Alignment & Social Media Focus

- Website optimisation and launch of the e-commerce site.
- Search engine optimisation focus for the website done consistently.
- Social media updated continuously, reviewed and tailored to the audience, trends and best practices.
- Paid social media and search engine marketing (SEM) has been approved.
- Creating interactive content, videos and collateral aligned to brand for relevant platforms.
- Generating multi-platform content with the audience in mind.
- Creating content plans for the interactive website with the intent of building an engaged and thus valuable audience.
- Social media will, while always curated, aim to engage more with users and utilise more user generated content.
- Finalise and implement the CTICC virtual tour on the website.
- Investigating and remain on trend where relevant for social and digital within an ever evolving medium.
- Utilising UI and UX best practises to inform the customer journey and create a more seamless path to purchase at various touchpoints.

#### Writing

- Communications writing will focus on strategic content for the audience, which will be informed by the relevant platform.
- Writing will align to the brand and bring the purpose to life while living the values of the CTICC.
- Writing tone will differ for internal and external, and be dependent on the platform.
- Communications generate two press releases and various advertorial as required on a monthly basis.
- Content is reworked and utilised strategically and where relevant.
- Generating thought leadership content for media, web and LinkedIn, to promote and enhance the brand, with the aim of becoming a thought leader.

#### Branding

- All communications are formed to enhance the brand.
- Communications to manage and enhance touchpoints to create the right perception and align to brand while informing the client experience.
- Sharing communications internally to create a compelling staff brand narrative – the careers section on the website is an element of this.
- Create shared value for people and the business by collaborating with HR on human interest content.
- Writing content to create credibility for speaking at relevant events to enhance brand and become a thought leader in the industry.

#### Reporting

- Reporting for social media and website analytics will be updated and integrated into reporting.
- New social media and PR reporting tools have been introduced, must be integrated to ensure their full capacity is utilised to generate relevant insights and updates.
- Analytics on paid for content to be integrated once complete.
- New reports to be compiled to best practices during first half of the year.

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### 4.3 Revenue Management

Revenue management supports the Sales and Marketing & Communications functions by ensuring the CTICC achieves its long term and short term business strategies. This is achieved through effective rate management; revenue streams management; business mix strategies, channels and distribution, strategic pricing and benchmarking whilst adhering to the city requirements.

For the 2020/21 financial year, the key revenue management objectives are to:

- 1 Ensure a clearly defined retention and acquisition strategy is established
- 2 Ensure an effective base business strategy is in place with key stakeholders/business partners
- 3 Drive revenue streams through effective business mix management and strategic pricing
- 4 Establish a clearly defined demand calendar with alignment to Sales and Marketing
- 5 Drive an effective and efficient contract management process while ensuring audit and city requirements are met





# SECTION FIVE

## Events Delivery



Section Four | Sales & Marketing

# EVENTS DELIVERY

Events delivery consists of three areas, all of which ensure the successful planning and management of events that are hosted at the CTICC. They are:

-  Events Management
-  Operational Support
-  Food & Beverage

These three areas combine to provide seamless, profitable and sustainable service delivery across all event segments and activities, providing logistics, ICT, security, parking and food-and-beverage services.

## 5.1 Events Management

Event management in the context of the CTICC forms part of the second of a three-phase process flow in which an event is planned, coordinated and executed.

The event management team is tasked with contributing to meeting and exceeding budgets, such as those set out for the Food & Beverage and Operations Departments. The CTICC strives to deliver service excellence within a 24-hour turnaround time, while building client relations in order to promote repeat business.

### 5.1.1 Events Management Objectives

- 1 The successful and profitable management of events
- 2 Up-selling food & beverage offerings, IT, facilities and branding sites
- 3 Constant improvement of client-relationship management
- 4 Departmental training and development, cross-departmental training
- 5 Monitoring of systems and internal processes to improve efficiencies, turnaround times and client experience

These objectives are met through a range of tactical implementations.



### 5.1.2 Events Management Trends

- 1 Centre-owned events and event partnerships
- 2 Increased need for event security
- 3 Electronic cashless payment services
- 4 Continued focus on sustainability
- 5 Higher demand for technology and telecommunications services

Source: <https://helloendless.com/2020-event-trends/> and AIPC Customer Survey Report/ and AIPC 2019 Research Report: Event Organizer Trends and Perspectives

## Section Four | Sales & Marketing

### 5.1.3. Conference and Exhibition Services

The Conference and Exhibition Services Department is responsible for providing a turnkey solution to all clients by establishing partnerships with key suppliers. These suppliers are able to offer services to all conference and exhibition organisers. Services range from audio visual, electrical connections, plumbing, safety and security, cleaning as well as décor services. The Conference and Exhibition Services Department is tasked with meeting and exceed the budgets set for the department. In addition to the revenue component, the department focuses on ensuring all events comply with the by-laws set by the City of Cape Town and the Safety at Sports and Recreational Events Act.

#### Conference and Exhibition Services Objectives

- 1 Increase market share for all subcontracted services by ensuring all clients are advised of our offerings
- 2 Improve relationships with the City of Cape Town's Events Office to ensure all events are timeously issued with the necessary permit documentation
- 3 Focus on departmental training for all receptionist and operations services coordinators
- 4 Strengthen relationships with all service partners by hosting regular meetings and SLA reviews to ensure that we deliver world class events for our clients
- 5 Increase awareness and initiatives to provide more sustainable events

#### Conference and Exhibition Services Trends

- 1 Increase in providing food sustainability at events
- 2 Provision of creative meeting room design
- 3 Increase in experiential meetings
- 4 Increase in event technology for a superior delegate experience

The CTICC continues to maintain its **5 Star Rating**



## 5.2 Operational Support

### 5.2.1 Facilities Management

The CTICC seeks to ensure that the facility is maintained in a pristine, 5-star condition at all times, by continually investing in upgrades and refurbishments that will continue to position the CTICC as one of the world's leading conference centres by creating memorable customer experiences.

#### Facilities Management Objectives

- 1 Preventative maintenance to uphold the 5-star grading year on year
- 2 Continually upgrade and refurbish the facilities
- 3 Ensure core services and clients are not impacted by load - shedding or water scarcity

Sufficient back-up electricity has been catered for, through the installation of additional power generation capacity. SLAs for the supply of emergency diesel will be put in place to ensure adequate provision of diesel at all times. In addition, a reverse osmosis plant is in place and able to cater for all of the CTICC water requirements.

Our world-class facility meets both national and international standards, allowing the business to continue to meet and exceed its objectives and drive a positive client-satisfaction rating.

#### Facilities Management Trends

The 2018 trend analysis by the International Facility Management Association (IFMA) shows a shift in workplace strategy, but our focus will continue to follow the 2017 trend analysis which is the most relevant analysis for our facility.

- 1 Sustainability remains important worldwide
- 2 Complex building systems and controls offer opportunities and challenges
- 3 Older buildings demand a growing focus on 'repair or replace' policies
- 4 Disaster preparation is required to ensure business continuity after a disrupting event
- 5 Complex information poses challenges but also offers opportunities to improve services
- 6 Recruiting top talent is difficult and requires better marketing of the facilities management profession
- 7 Facilities that safeguard the health of building occupants are becoming imperative
- 8 Special needs and accessibility standards are increasingly covered by local codes and regulations

Further to this, increasing internal mobility is the single pertinent trend identified in the 2018 analysis that is relevant to our facility and business. This trend will also form part of our focus areas.

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With the rising use of technology and ‘smart working’, an increasing number of employees are not desk-bound and are able to access ‘hot desks’ situated in both CTICC buildings to make the most of flexible environments and resources. Internal mobility has more than doubled in the past 10 years, while external mobility has remained the same.

5.2.2 Parking

The first and the last client experience of the CTICC’s facilities is the parking. As a result, there is a strong focus on service excellence within this environment. Here the team assists clients in event build-up and breakdown logistics planning, as well as ensuring sufficient parking for event attendees, staff and contractors.

Parking Objectives

- 1 Provide easy access to and from the parking facilities for all event stakeholders
- 2 Facilitate and maximise parking availability within the CTICC precinct for as many of its patrons as possible
- 3 Enhance parking location and accessibility

5.2.3 Marshalling Yard Logistics

Marshalling Yard management is essential to the smooth build-up and breakdown processes required to meet client timelines. With approvals from the city for the access and egress routes from the off-site Marshalling Yard not yet acquired, logistics for the CTICC 2 Marshalling Yard will continue to be challenging. To this end, additional build-up and breakdown time will be allocated, incurring unnecessary costs that will potentially also continue to negatively impact the traffic flow coming into and surrounding the foreshore.

Marshalling Yard Objectives

- 1 Ensure compliance with the City Traffic Services’ requirements to properly manage the Marshalling Yard and alleviate city congestion
- 2 Implement event logistics plans and ensure that these are proactively communicated to include both CTICC 1 and CTICC 2
- 3 Agree build-up and breakdown schedules with clients and stand builders
- 4 Provide clear access regulations instructions seven days prior to build-up
- 5 Post signage when and where required and as dictated by event needs

5.2.4 ICT

The Information Communication and Technology (ICT) Department supports the business both through the provision of service, as well as by generating revenue.

ICT Objectives

- 1 Harnessing emerging technologies to enhance service offering
- 2 Support corporate governance through technical solutions and ensuring legislative ICT requirements are complied with
- 3 Modernising the digital infrastructure of the complex
- 4 Ensure availability of services supporting the business and event hosting activities
- 5 Continually enhance the cyber security controls whilst ensuring service availability

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5.2.5 Health & Safety

The safety and security of people, property, patrons and assets at the CTICC is imperative, as is the safe and secure execution of events hosted within the complex. At the same time, the necessary quality, environmental and safety management systems must be maintained at every level so as to retain our ISO Certification and ensure full legislative compliance, as required by the Safety at Sports and Recreational Events Act and Regulations (SASREA).

Health & Safety Objectives

- 1 To maintain and secure infrastructure that is safe for clients and stakeholders
- 2 To obtain Venue Safety and Risk Grading Certificate
- 3 To work in collaboration with CBD stakeholders to improve security measures in the city
- 4 To comply with safety and security requirements at events
- 5 To provide reassurance and safety for international/national delegates visiting the CTICC

5.2.6 Occupational Health & Safety

There are three components to promoting a safety culture; a healthy environment, emotional well-being as well as safety and protection. Trends in this area focus on training and supervision as part of the safety culture. In addition, draft legislation for Ergonomics Regulation was published in 2017 and was promulgated in December 2019. These regulations will provide guidance on how work is conducted and how equipment should be used in the workplace, the impact on employee well-being and what measures are required to reduce muscular-skeletal injuries or disorders in the workplace.

Workplace safety is assured by our ISO standards and will continue to provide a support framework for the management of safety at events for contractors and employees alike.

The CTICC is central to Cape Town and the Foreshore and attracts local and international clients, VIPs, celebrities and dignitaries to events that might pose security and/or cyber-security risks to the centre. We aim to provide a safe venue and host events without incident.

To this end, the CTICC has engaged and formed close relations with external and supporting law-enforcement agencies such as the SA Police Service (SAPS), Metro Police, City of Cape Town Fire Department, Central City Improvement District (CCID) and City of Cape Town Disaster Risk Management Centre.

The CTICC has a disaster preparedness plan in place that covers eventualities such as fires, viral outbreaks, power-cuts, water shortages, bomb threats, terror attacks or incidents resulting in mass casualty. During this financial year, we plan to coordinate and conduct training exercises with the stakeholders mentioned.

Occupational Health and Safety Objectives

- 1 Ensure full compliance in accordance with legislation governing work and events
- 2 Provide continuing education to staff and contractors
- 3 Retain a low accident rate
- 4 Offer a safe workplace to staff and contractors

Section Four | Sales & Marketing



5.3 Food and Beverage

The Food & Beverage department generates about 40% of the CTICC’s annual turnover while achieving targeted cost of sales figures. The team plays a vital role in ensuring we deliver world-class experiences to our clients and visitors. We create contemporary food and-beverage offerings for a broad range of events, including banquets, cocktails and public catering in exhibition spaces.

The CTICC has two production kitchens and 23 satellite kitchens, making it one of the largest and most sophisticated F&B venues in the Western Cape. This allows for prompt and efficient delivery of meals for more than 3 000 delegates at a time. We use the latest cooking technologies and follow the most up to date culinary trends. Our trained culinary team is equipped to prepare and produce any type or style of food requested by our clients.

The Food & Beverage Department consists of the following divisions: kitchen (culinary), front of house (banqueting and beverage), back of house and the coffee shops, including the Old Pier Café.

5.3.1 Food & Beverage Trends

- 1 Experiential dining that is unique, authentic and relevant to the local culture
- 2 Convenience: grab-and-go and self-service kiosks
- 3 Food safety as the industry is vulnerable to food-borne diseases e.g. avian flu, foot and mouth disease
- 4 Healthy and ethical lifestyle choices are influencing demand for, for example, low or no carbohydrate meals, use of plant-based/vegan-suitable ingredients, the use of natural, organic or gut-friendly (digestive wellness) food, as well as low-sugar, low-alcohol or no-alcohol beverages, alternative dairy, mood enhancing food, the role food plays in reducing the risk of disease and promoting good health, delicious and healthy desserts without the excessive use of dough,
- 5 Using locally sourced meat and seafood, food grown in-house and sustainably sourced and produced products, e.g. Fairtrade
- 6 Packaging that is more environmentally sustainable/ plastic free
- 7 Botanical beverages, e.g. craft gins, flavoured coffees and teas
- 8 Use of food technology, e.g. digitisation, apps for ordering food and robotics
- 9 Food-waste reduction through Zero-waste cooking
- 10 Cannabis/hemp-infused food and beverage offerings
- 11 Wood-Fire cooking

5.3.2 Objectives

- 1 Produce exceptional quality food-and-beverage offerings in line with international trends and the highest standards
- 2 Maintain the ISO 22 000 Food Safety Management standard
- 3 Regular competitor analysis to ensure we understand the strengths and weaknesses of the CTICC food offering against our competitors. This will facilitate the formulation of strategies to provide CTICC with a distinct food and beverage advantage over the competitors
- 4 Maintain event-based costing
- 5 Expand the cashless system for all public-catering operation
- 6 Continuous training of staff to ensure we provide the highest standard of service
- 7 Enter competitions for chefs, bar staff and baristas
- 8 Partner with local celebrity chefs, baristas and mixologists for our coffee shops and roof top venue
- 9 Leverage the newly opened Mountain View Roof Terrace

# SECTION SIX

# Sustainability



we are a green conscious convention centre

# SUSTAINABILITY



Sustainability is everyone’s responsibility, and to this end, the CTICC has a clear Corporate Social Responsibility (CSR) strategy. Our commercial team is responsible for the CSR component while our operations team takes care of the environmental component of our sustainability strategy. Our mission statement includes the goal of becoming a world leader in sustainability initiatives and sustainability is therefore central to every operation, every decision and every event.

While each department has a responsibility to ensure that they ‘think sustainability’ at all times, it is the mandate of the Nurture Our World (NOW) team to ensure that

practical objectives for a sustainable outcome are properly planned and achieved.

The CTICC’s NOW concept was launched in 2009 and remains the sustainability icon that drives the CTICC’s sustainable practices. NOW is the collective initiative that supports other subsidiary initiatives such as Manco and ISO Certification (ISO 9001 Quality Management, ISO 14001 Environmental Management and OHSAS 18001 BS Occupational Health and Safety Management).

## 6.1 Sustainability Objectives

- 1 To track all sustainability activities and ensure they are having a significant impact (financial and non-financial) on the organisation and contributing to the achievement of its vision and objectives
- 2 To promote sustainable events through early assessment of the construction and waste that will be derived and identify CRS donations and opportunities for LCP attendance to events that would benefit LCPs
- 3 To measurably build the CTICC brand as a world leader in sustainability while leveraging sustainability as a key compelling selling point for the CTICC
- 4 To refine the CSR strategy in order to maximise the impact of targeted investments in support of Local Community Partners and other non-profit organisations, including upcycling initiatives and education events

These objectives seek to meet the needs of two core strands of our sustainability strategy, namely social sustainability and environmental sustainability.





Section Six | Sustainability



6.1.1 Social sustainability

Given that the City of Cape Town is the CTICC’s majority shareholder, the centre is truly owned by the people for the people. As such, it is vital that the CTICC focuses on maximising its contribution to GDP, GGP and job creation. Its contribution to social capital is therefore an important CSR measure, one supported by a comprehensive CSR strategy, which lists various focus areas for the CTICC’s community support. This extends beyond financial support and includes skills development, education and overall community upliftment.

Core to this is the CTICC’s partnership with its five identified Local Community Partners. These selected partners receive support from the CTICC for a three-year cycle after which new nominations are called for.

The current selected partners are:

 <p>Abalimi Bezekhaya</p>	 <p>Mothers Unite Let's Feed Our Children</p>	 <p>Journey of Enrichment</p>	 <p>FARR Foundation for alcohol related research</p>	 <p>Ikhaya le Themba Community of Hope</p>
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In addition to the above, the CTICC’s social commitment extends to organisations and outreach initiatives beyond the five Local Community Partners. Its commitment to the betterment of communities was served through several initiatives that took place in 2018/19. These included but were not limited to; a youth day programme; celebration of seniors with Neighbourhood Old Age Home elders on International Day of Older Persons; providing care packages to the homeless on World Homeless Day; celebrating the legacy of former South African President, Nelson Mandela, on Mandela Day, by donating food parcels; and highlighting water awareness during National Water Week to name but a few.

Based on international trends in sustainability, as well as the CTICC’s own experience, an approach to social sustainability that is narrower and deeper (as opposed to broad and shallow) is most effective and delivers lasting impact. As such, the needs analysis of the community partners will pay close attention to the ‘deep’ support that may be required. This may include skills exchange, ongoing mentorship, monitoring and evaluation and other contributions.

Section Six | Sustainability



6.1.2 Environmental Sustainability

The CTICC has made great strides in environmental sustainability in recent years and this success has become one of the CTICC’s unique selling points. The CTICC continually improves its energy and water efficiency, as well as providing adequate services for safe disposal and, where possible, the recycling of its waste. It has also made a concerted effort to raise awareness amongst staff to reduce its carbon footprint.

 Water

The CTICC has been reducing its water consumption through its environmental sustainability practices for several years. Over the last seven years we have reduced our consumption by an average of 10.7 million litres per year when compared to the baseline year of 2011/2012. Going forward, we intend to:

- Continue to focus on water resilience plans to reduce dependence on the municipal supply.
- Source water for cooking and food preparation from non-municipal sources. A reverse osmosis plant has been installed, which is able to produce 200 000 litres of drinking water in a 24-hour cycle obtained from ground water, which is 50kL more than our average daily water need.
- 400 000 litres of additional storage capacity for the purified water from our Reverse Osmosis Plant has also been added. An additional 265 000 litres of water is captured in our rainwater storage tanks.

 Electricity

The CTICC’s electricity consumption demonstrated an increase of 732 102 kWh, which equated to an average increase of 6% in electricity consumption in the 2018/19 year. As outlined in our five-year strategy, we are investigating more sustainable electricity generation options, including photovoltaic solar PV panels and water heating by means of heat pumps.

Our commitment going forward is to reduce our electricity consumption by 1% year on year in terms of kWh.

 Waste

The CTICC further reinforces its environmental commitment by remaining vigilant about waste reduction in general and minimising waste being sent to landfill sites in particular. There has been an impressive trajectory that started with just 25% diversion from landfill in the 2010/11 financial year.

This past year we achieved an 86% diversion score. Our recycling begins with a rigorous policy of eco-procurement, working primarily with suppliers who offer reusable and recyclable products. Our objective going forward is to continue diverting in excess of 80% of our waste from landfill year on year.



### 6.1.3 ISO Certification

In September 2018 the CTICC underwent an Integrated Management Systems Audit for:

#### ISO 9001: 2015, ISO 14001: 2015 and OHSAS 18001: 2007 (BS)

The CTICC achieved full recertification from the South African Bureau of Standards (SABS) for all three standards, and certificates were issued to reflect this. These certifications have been awarded for a period of three years and will need to be renewed in September 2021. Over and above this, we were also audited and achieved full certification for ISO 22000, which superseded our previous SANS 10330:2007 HACCP certification and will be renewed in October 2021.

The CTICC constantly strives to improve its service delivery and product offering, and it is to this end that we will focus on the following:

- |   |   |
|---|---|
| 1 | Drive ISO standards as part of the embedded CTICC work-life culture         |
| 2 | Maintain ISO certification  |
| 3 | Prepare to integrate ISO 9001, 14001 and OHSAS 18001 into ISO 45001 by 2021 |
| 4 | Maintain ISO 22000 (Food Safety) certification                              |



**THE CTICC**  
achieved full  
recertification from the  
South African Bureau of  
Standards (SABS) for all  
three standards.

# SECTION SEVEN

# Governance



# GOVERNANCE



The company's Board of Directors ('the Board') subscribes to the principles set out in The King Report on Corporate Governance for South Africa 2016 ('King IV'). 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.

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. Board meetings are held at least quarterly to review the company's performance against budgeted targets, and more frequently if necessary.

## ● The Company Secretariat

The core focus of the Company Secretariat is the effective administration of Board and Shareholder matters and to ensure that procedures and structures are in place to promote good corporate governance by the company.

The Company Secretariat strives to ensure that the Company has a balanced and representative Board of Directors, which is properly informed and equipped to make the right decisions in the best interests of the CTICC within the constraints of the legal framework within which it operates.

It is important that Board members are aware of their duties and responsibilities as directors in terms of the applicable legislation and Good Corporate Governance Principles in general. New Board members must therefore receive a thorough induction as soon as possible to enable them to add value to the Company.

It is also important that Board members and shareholders respectively receive comprehensive reports to enable them to make informed decisions regarding the company.

Section Seven | Governance

7.1 Supply Chain Management

The core function of the Supply Chain Management (SCM) Unit is to ensure that the correct products and services are procured to meet client needs in a manner that is cost-effective and in line with prevailing legislation. SCM plays a pivotal role, working in tandem with the business units, to ensure proper planning, market analysis and development of the correct specifications for goods and services.

7.1.1 Supply Chain Management Objectives

- 1 To ensure legislative compliance, including MFMA, PPPFA, SCM Regulations
- 2 To implement detailed demand management and strategic sourcing
- 3 To institute effective cost-saving mechanisms to improve profitability, without compromising service standards
- 4 To maximise enterprise supplier development and empowerment, and align this to the CTICC's BBBEE strategy/target
- 5 To ensure that SCM forms an integral part of the financial-management system and the CTICC's digital strategy
- 6 To align ourselves with industry trends and ensure that CTICC adheres to international best practices
- 7 To encourage sustainable procurement
- 8 To have no material findings in SCM which impacts achieving an unqualified audit

**Principle Six** Businesses should uphold the elimination of discrimination in respect of employment and occupation

**Principle Eight** Businesses should undertake initiatives to promote greater environmental responsibility

**Principle Ten** Businesses should work against corruption in all its forms, including extortion and bribery

7.2 UNGC Principals

**Principle One** Businesses should support and respect the protection of internationally proclaimed human rights

**Principle Two** Businesses should make sure they are not complicit in human rights abuses

**Principle Three** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

**Principle Four** Businesses should uphold the elimination of all forms of forced and compulsory labour

**Principle Five** Businesses should uphold the effective abolition of child labour

**Principle Seven** Businesses should support a precautionary approach to environmental challenges

**Principle Nine** Businesses should encourage the development and diffusion of environmentally friendly technologies

The CTICC continues to follow the United Nations Global Compact's (UNGC) principles as part of the CTICC's leadership strategy. It is divided into four groups: human rights, fair and equal labour principles, embedded environmental principles and anti-corruption. In addition, this helps position the CTICC as a love brand based on its ability to show care for and commitment to the communities in which it operates.

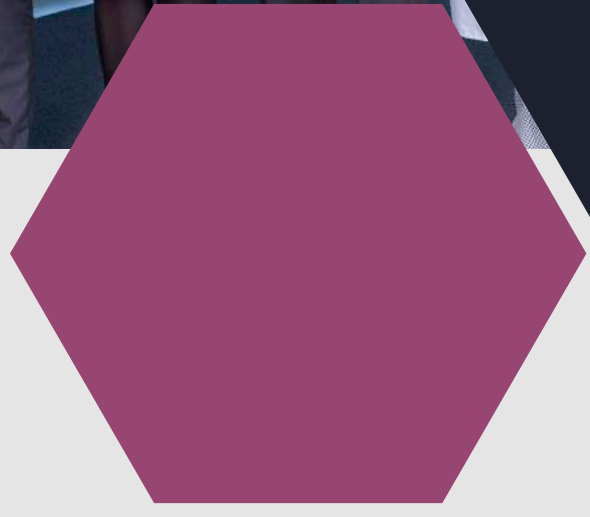
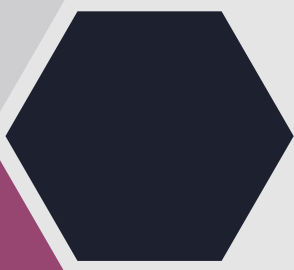


United Nations  
Global Compact

A decorative graphic in the top left corner features a large, light grey hexagon with a smaller, solid maroon hexagon nested inside it. The background of the page is a photograph of a diverse group of eight people standing in a modern office hallway with large windows overlooking a cityscape and a mountain range. The group includes individuals in business suits and chef uniforms. The text 'SECTION EIGHT Human Resources' is overlaid on the left side of the image.

# SECTION EIGHT

## Human Resources



# HUMAN RESOURCES



Human Resources (HR) is transitioning from a service delivery model to a business partnering model. HR will partner with the business in the formation of strategy, the design of the organisation and implementing the business model. The goal of Human Resources is to drive and support the workforce through development, recruitment and retention. The CTICC believes that growing its people contributes to growing the organisation.

The CTICC's corporate value of Integrity clearly states our expectations of employee behaviour. We are transparent in all our actions, and expect ethical behaviour in every single area of our business. Adherence to the UN's Global Compact further demonstrates our commitment to fair labour practices as well as ethical conduct in terms of our contractual obligations with business partners and clients.

Human capital development and providing graduate training opportunities are the key HR KPIs for the CTICC. Graduates from the hospitality sector are placed throughout the business to gain valuable work experience. Over and above standard training courses, permanent staff are selected to participate in international knowledge-exchange programmes, summits and professional-development programmes. These provide a targeted, industry-specific form of training and development, as well as opportunities to establish the kind of industry networks that facilitate future professional growth.

The  
**CTICC**  
believes that growing  
its people contributes  
to growing the  
organisation.





## Section Eight | Human Resources



### 8.1 HR Objectives

- 1 To ensure that the CTICC remains an employer of choice
- 2 To develop employees in order to create an environment that recognises hard work and talent
- 3 To identify and improve the cost and efficiency of HR service delivery (e.g. cost of hiring) as well as the time taken to provide the services (e.g. time taken to fill vacancies)
- 4 To recruit and retain a diverse workforce to meet the needs of the organisation

### 8.2 HR Trends

- 1 Employee experience: creating a great employee experience similar to the emphasis on customer experience. An exceptional employee experience is required if employees are to provide the best possible customer experience
- 2 Employee Health and Wellness: create a higher level of employee health and wellness, not only regarding physical health but also including emotional, mental and financial wellness
- 3 Learning and development: the speed and complexity of change requires a competent workforce, thus more proactive and dynamic approaches to learning and development are imperative. Learning should be more focused and just-in-time to set employees up to deliver their best
- 4 Engaging employees in order to build their commitment to the organisation
- 5 Creating an environment and brand that attracts through its success

Working with the above trends will lead to the onboarding and retention of passionate

The background of the page features a blurred photograph of a person's hands. One hand is using a calculator, while the other holds a smartphone. The scene is set on a desk with a laptop and a pair of glasses. The image is overlaid with a semi-transparent blue and white geometric pattern of hexagons.

# SECTION NINE

# Financial Projections

# FINANCIAL PROJECTIONS



The operational plans that give effect to the strategy and which are factored into the budgets have taken into account growth in primary and secondary revenue streams, as well as the continuous drive to save costs. The business needs in respect of capital expenditure, which is also funded from CTICC reserves, have been budgeted at R59.8 million for the year. The capital expenditure is for new and existing assets, which will contribute to the CTICC remaining a world-class facility.

The 2020/21 budget process followed a similar approach to that used in previous years. The budget takes into account the current market conditions, such as inflation, historical trend analysis, as well as the proposed city budget guidelines. Zero-based budgeting was used, where all expenses were justified and analysed for the centre's needs and cost.

The budgeted 2020/21 operating profit before interest tax depreciation and amortisation (EBITDA) for the company is projected at R12.1 million for the year.

The 2020/21 budget includes a 42% (R59 million) 'blue sky' revenue, as the budget is prepared for the city well in advance of the company's start date of its 2020/21 financial year, where there are few bookings in the system on which the budget can be based.

Due to the nature of our business and the increase in short-term bookings, we have always included a portion of 'unknown' revenue for the unknown or short-term business. As venue rental income is the primary source of revenue, the other revenue stream budgets are prepared with these same assumptions.

Gross margins are budgeted to be maintained at 79%. Indirect costs have been budgeted to increase at 8.3% in total, mainly as a result of an increase in payroll, utilities, maintenance and marketing costs. The budget of 2020/21 reflects a R23.5-million net loss after tax for the year.

The following table shows the 2018/19 actual amounts as well as the current financial year's original and adjusted budgets, and the projected budget for the 2020/21 financial year.

Section Nine | Financial Projections

Table 5:  
Revenue Projections

Description	Actual 2018/19	Budget 2019/20	Adjustment Budget 2019/20	Budget 2020/21
<b>Revenues</b>	<b>277 781 799</b>	<b>278 700 157</b>	<b>278 700 157</b>	<b>293 596 175</b>
Venue Hire	128 873 199	131 820 411	131 820 411	139 776 158
Food & Beverage	98 298 188	101 266 105	101 266 105	106 918 672
Parking & Other Income	50 610 412	45 613 641	45 613 641	46 901 345
<b>Less: Direct Costs</b>	<b>56 650 766</b>	<b>58 930 179</b>	<b>57 859 331</b>	<b>60 697 043</b>
Cost Of Sales	31 300 126	35 122 247	36 555 771	37 645 177
Other Direct Costs	25 350 640	23 807 932	21 303 560	23 051 866
<b>Gross Profit</b>	<b>221 131 033</b>	<b>219 769 978</b>	<b>220 840 826</b>	<b>232 899 132</b>
<b>Less: Indirect Costs</b>	<b>163 612 810</b>	<b>209 624 889</b>	<b>201 923 546</b>	<b>220 763 236</b>
Personnel & Management	66 747 421	94 513 559	86 067 034	95 981 613
Building Costs	68 738 536	80 287 332	83 708 265	90 636 760
Marketing & Other Indirect Costs	28 126 853	34 823 998	32 148 247	34 144 863
<b>EBITDA</b>	<b>57 518 223</b>	<b>10 145 089</b>	<b>18 917 280</b>	<b>12 135 896</b>
Interest Received	14 482 277	6 900 000	11 750 000	8 700 000
<b>Less: Depreciation</b>	<b>51 574 465</b>	<b>50 163 514</b>	<b>56 293 146</b>	<b>54 499 187</b>
Impairment	2 548 136	–	–	–
<b>Net Profit/(Loss) Before Taxation</b>	<b>17 877 899</b>	<b>(33 118 425)</b>	<b>(25 625 866)</b>	<b>(33 663 291)</b>
Taxation	(5 393 865)	–	7 731 472	10 156 409
<b>Net profit/(loss) after taxation</b>	<b>12 484 034</b>	<b>(33 118 425)</b>	<b>(17 894 394)</b>	<b>(23 506 882)</b>

Table 6:  
Capital Expenditure Budget 2019/20 – 2022/23

Category and Description	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
Building Enhancements	33 070 000	39 712 615	41 945 781	40 801 204
It & Electronic Infrastructure	17 918 555	26 585 766	23 349 455	12 689 521
Kitchen Enhancements	1 348 100	2 666 506	2 577 789	3 132 960
Catering Furniture & Equipment	3 430 000	4 517 736	5 020 529	4 770 000
<b>Operational Capex Budget</b>	<b>55 766 655</b>	<b>73 482 623</b>	<b>72 893 554</b>	<b>61 393 685</b>
CTICC2	4 000 000	2 000 000	2 000 000	2 000 000
<b>Total Capex Budget</b>	<b>59 766 655</b>	<b>75 482 623</b>	<b>74 893 554</b>	<b>63 393 685</b>

# SECTION TEN

# Annexures



# ANNEXURES

## ● Financial Performance

### Three year budget 2019/20 – 2022/23

Category	Actual 2018/19	Budget 2019/20	Adjustments	Adjustment Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
<b>Revenue By Source</b>							
Rent Of Facilities And Equipment	128 873 199	131 820 411	-	131 820 411	139 776 158	148 713 832	158 231 855
Interest Earned – External Investments	14 482 276	6 900 000	4 850 000	11 750 000	8 700 000	9 222 000	9 775 320
Other Revenue	148 908 599	146 879 746	-	146 879 746	153 820 017	163 490 993	173 777 570
<b>Total Revenue</b>	<b>292 264 074</b>	<b>285 600 157</b>	<b>4 850 000</b>	<b>290 450 157</b>	<b>302 296 175</b>	<b>321 426 825</b>	<b>341 784 745</b>
<b>Expenditure By Type</b>							
Employee Related Costs	66 332 674	93 932 359	(8 446 525)	85 485 834	95 380 413	101 749 699	107 719 057
Remuneration Of Board Members	414 747	581 200	-	581 200	581 200	610 260	640 773
Depreciation & Asset Impairment	54 122 601	50 163 514	6 129 633	56 293 147	54 499 187	52 319 219	50 749 643
Other Expenditure	153 516 153	174 041 509	(325 667)	173 715 842	185 498 666	197 776 300	210 883 508
<b>Total Expenditure</b>	<b>274 386 175</b>	<b>318 718 582</b>	<b>(2 642 559)</b>	<b>316 076 023</b>	<b>335 959 466</b>	<b>352 455 478</b>	<b>369 992 981</b>
Surplus/(Deficit) Before Taxation	17 877 899	(33 118 425)	7 492 559	(25 625 866)	(33 663 291)	(31 028 653)	(28 208 236)
Taxation	(5 393 865)	-	7 731 471	7 731 471	10 156 409	9 361 523	8 510 587
<b>Surplus/(Deficit) After Taxation</b>	<b>12 484 034</b>	<b>(33 118 425)</b>	<b>15 224 030</b>	<b>(17 894 395)</b>	<b>(23 506 882)</b>	<b>(21 667 130)</b>	<b>(19 697 649)</b>

# ANNEXURES

## ● Financial Position

Three year budget 2019/20 – 2022/23

	Actual 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
<b>Assets</b>					
<b>Non-current Assets</b>	<b>880 698 670</b>	<b>897 647 453</b>	<b>910 947 354</b>	<b>941 348 305</b>	<b>971 878 828</b>
Property, Plant And Equipment	581 477 420	592 818 707	598 086 175	621 249 579	645 393 490
Investment In Subsidiary	100	100	100	100	100
Service-in-kind benefit	175 051 024	172 927 048	170 803 072	168 679 096	166 555 120
Deferred Taxation	124 170 126	131 901 598	142 058 007	151 419 530	159 930 118
<b>Current Assets</b>	<b>252 294 712</b>	<b>225 357 626</b>	<b>180 128 743</b>	<b>132 586 635</b>	<b>87 087 659</b>
Inventories	2 065 465	1 754 558	1 842 286	1 888 343	1 935 552
Trade and Other Receivables	62 859 567	16 031 948	17 898 444	18 732 290	19 920 565
Service-in-kind benefit	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976
South African Revenue Services	3 002 224	-	-	-	-
Cash and Cash Equivalents	182 243 480	205 447 144	158 264 037	109 842 026	63 107 566
<b>Total Assets</b>	<b>1 132 993 382</b>	<b>1 123 005 079</b>	<b>1 091 076 097</b>	<b>1 073 934 940</b>	<b>1 058 966 487</b>
<b>Net Assets And Liabilities</b>					
<b>Net Assets</b>	<b>1 034 686 398</b>	<b>1 016 324 451</b>	<b>992 817 569</b>	<b>971 150 439</b>	<b>951 452 790</b>
Contribution from Owners	1 277 427 701	1 277 427 701	1 277 427 701	1 277 427 701	1 277 427 701
Accumulated Deficit	(242 741 303)	(261 103 250)	(284 610 132)	(306 277 262)	(325 974 911)
<b>Non-current liabilities</b>	<b>335 155</b>	<b>426 030</b>	<b>-</b>	<b>114 050</b>	<b>228 100</b>
Operating lease liability	335 155	426 030	-	114 050	228 100
<b>Current Liabilities</b>	<b>97 971 829</b>	<b>106 254 598</b>	<b>98 258 528</b>	<b>102 670 450</b>	<b>107 285 596</b>
Client Deposits	41 385 627	32 849 141	34 820 089	36 561 094	38 389 149
Trade and Other Payables	51 009 307	68 595 842	58 992 424	61 352 121	63 806 206
Provisions	5 576 895	4 809 615	4 446 015	4 757 235	5 090 241
<b>Total Net Assets and Liabilities</b>	<b>1 132 993 382</b>	<b>1 123 005 079</b>	<b>1 091 076 097</b>	<b>1 073 934 939</b>	<b>1 058 966 486</b>

# ANNEXURES

## Cash Flow Statement

### Three year budget 2019/20 – 2022/23

	Actual 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
<b>Cash Flow From Operating Activities</b>	<b>20 003 868</b>	<b>91 305 651</b>	<b>12 583 547</b>	<b>27 060 613</b>	<b>28 159 094</b>
Cash Receipts from Customers	247 577 036	325 527 776	292 764 024	313 620 227	333 092 182
Cash Paid to Suppliers and Employees	(237 423 498)	(248 974 349)	(288 880 477)	(295 781 614)	(314 708 408)
Suppliers	(175 574 688)	(154 460 790)	(209 217 821)	(210 542 572)	(224 355 024)
Employee Costs	(61 848 810)	(94 513 559)	(79 662 656)	(85 239 042)	(90 353 384)
Cash Generated from Operations	10 153 538	76 553 427	3 883 547	17 838 613	18 383 774
Finance Income	14 846 029	11 750 000	8 700 000	9 222 000	9 775 320
Taxation Paid	(4 995 699)	3 002 224	–	–	–
<b>Cash Flow from Investing Activities</b>	<b>(61 517 259)</b>	<b>(68 101 986)</b>	<b>(59 766 655)</b>	<b>(75 482 623)</b>	<b>(74 893 554)</b>
Acquisition of Property, Plant and Equipment	(61 517 259)	(68 101 986)	(59 766 655)	(75 482 623)	(74 893 554)
Increase In Cash and Cash Equivalents	(41 513 391)	23 203 665	(47 183 108)	(48 422 010)	(46 734 460)
Cash and Cash Equivalents at Beginning of the Year	223 756 870	182 243 479	205 447 144	158 264 037	109 842 026
<b>Cash and Cash Equivalents at End of the Year</b>	<b>182 243 479</b>	<b>205 447 144</b>	<b>158 264 037</b>	<b>109 842 026</b>	<b>63 107 566</b>
<b>Cash Generated from Operations</b>					
Profit/(Loss) Before Taxation	17 877 901	(25 625 866)	(33 663 291)	(31 028 653)	(28 208 236)
Adjustments for:					
Depreciation	51 574 469	56 293 147	54 499 187	52 319 219	50 749 643
Interest Received	(14 482 276)	(11 750 000)	(8 700 000)	(9 222 000)	(9 775 320)
Impairment	2 548 136	–	–	–	–
Loss on Disposal of PPE	692 470	–	–	–	–
Service-in-kind Benefit	2 123 976	2 123 976	2 123 976	2 123 976	2 123 976
Lease Straight-lining	90 875	90 875	(426 030)	114 050	114 050
Increase in Provision for Bonuses	853 512	(767 280)	(363 601)	311 221	333 006
Increase in Provision for Impairment of Trade Receivables	605 100	–	–	–	–
	61 884 163	20 364 852	13 470 241	14 617 813	15 337 119
Movements in Working Capital	(51 730 625)	56 188 575	(9 586 694)	3 220 800	3 046 655
Increase)/(Decrease) in Inventories	(474 028)	310 907	(87 728)	(46 057)	(47 209)
Decrease/(Increase) in Receivables	(43 668 337)	46 827 619	(1 866 496)	(833 845)	(1 188 276)
Increase/(Decrease) in Payable	(7 588 260)	9 050 049	(7 632 470)	4 100 702	4 282 140
	<b>10 153 538</b>	<b>76 553 427</b>	<b>3 883 547</b>	<b>17 838 613</b>	<b>18 383 774</b>



# CONTACT

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Cape Town International Convention Centre