

An aerial night view of Cape Town, South Africa, featuring the harbor with several large ships and the city skyline with illuminated buildings. The image is overlaid with a pattern of large, light-blue triangles pointing upwards.

WesGRO

cape town & western cape
tourism, trade & investment

Annual Report 2020/21

An inspiring place to do business



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part a

general information

part a: general information

1. public entity's general information

Registered Name:	Wesgro
Registration Number (if applicable):	Not applicable
Physical Address:	18th Floor, Reserve Bank Building South African Reserve Bank Building Cape Town, 8000
Postal Address:	PO Box 1678 Cape Town 8000
Telephone Number:	021 487 8600
Email Address:	info@wesgro.co.za
Website Address:	www.wesgro.co.za
External Auditor:	Auditor-General South Africa
Banker:	ABSA Regional Office, 1st Floor, Bridge Park East, Bridgeway, Century City 7441
Board Secretary:	Giselle Naidoo

2. list of abbreviations

AIU	Agri-business Investment Unit
APAC	Agricultural Produce Agents Council
APP	Annual Performance Plan
AVE	Advertising Value Equivalent
BER	Bureau for Economic Research
BPESA	Business Process Enabling South Africa
BPO	Business Process Outsourcing
BRICS	Brazil, Russia, India, China and South Africa
CEO	Chief Executive Officer
CoCT	City of Cape Town
CTICC	Cape Town International Convention Centre
CTRU	Cape Town Routes Unlimited
DEA&DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DoL	Department of Labour
DotP	Department of the Premier
DSI	Department of Science and Innovation
Dtic	Department of Trade, Industry and Competition
EAP	Export Advancement and Promotion
EDP	Exporter Development Programme
EMU	Executive Management Unit
EU	European Union
FDI	Foreign direct investment
FMCG	Fast-moving consumer goods
FTE jobs	Full-time equivalent jobs
GDP	Growth Development Plan
GFC	Gauteng Film Commission
GRAP	Generally Recognised Accounting Practices
HR	Human Resources
IDC	Industrial Development Corporation
IMF	International Monetary Fund
IP	Investment promotion
IPAs	Investment promotion agencies
IPAP	Industrial Policy Action Plan
IT	Information technology
JMA	Joint Marketing Agreement
KZNFC	KwaZulu-Natal Film Commission
LTA	Local Tourism Association
MCU	Marketing and Communication Unit
MDG	Millennium Development Goals

MFMA	Municipal Finance Management Act
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCA	National Credit Act
NDP	National Development Plan
NT	National Treasury
NTSS	The National Tourism Sector Strategy
OFDI	Outward foreign direct investment
PFMA	Public Finance Management Act
PSG	Provincial Strategic Goal
PSP	Provincial Strategic Plan
RSA	Republic of South Africa
RTO	Regional Tourism Organisation
R & D	Research and Development
SAOGA	South African Oil & Gas Alliance
SARB	South African Reserve Bank
SAT	South African Tourism
SBIDZ	Saldanha Bay Industrial Development Zone
SCOPA	Standing Committee on Public Accounts
SDG	Sustainable Development Goals
SEDIC	Special Economic Development Infrastructure Company
SEZ	Special economic zone
SLA	Service Level Agreement
SMMEs	Small, medium and micro enterprises
SOE	State-owned enterprise
SPV	Special-purpose vehicle
Stats SA	Statistics South Africa
TNCs	Transnational corporations
TP	Trade promotion
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
VIP	Vision Inspired Priorities
WTO	World Trade Organisation
ZAR	South African Rand

3. foreword by the chairperson

Developments over the past 12-months have been unprecedented, and looking back, it is unlikely that anyone could have realistically predicted what lay ahead for 2020, both locally and on a global scale.

It is fair to say that the 2020/21 financial year began on an uncertain footing as the scale and pace of the unprecedented global COVID-19 pandemic became increasingly apparent. In mid-March 2020, President Cyril Ramaphosa declared the global pandemic a national disaster. In step with nearly every country in the world, this saw the implementation of strict multi-level lockdown measures and the closing of borders to international travel in a bid to curb the spread of the COVID-19 virus.

The impact was devastating, both locally and internationally, as the global economy effectively ground to a near halt. Global supply chains stuttered and stalled, and international trade and activities all but dried up. For an agency like Wesgro, with almost every aspect of its mandate involving international economic activity, the world as we knew it had changed forever.

Looking back at that time now, the way the Agency was able to seamlessly adapt and navigate this new change and provide extensive support and guidance to local and national businesses through its dedicated online COVID-19 Content Centre (CCC), affirms its commitment and resolve to support the greater business community. It also highlights the Agency's ability to pull together stakeholders from across the public and the private sector to align support in a time of crisis.

Despite the plethora of challenges faced in the 2020/21 financial year, the Agency achieved an estimated economic impact of over R9,6bn and created 2 600 direct jobs. In addition, several units within the Agency exceeded their set targets in the year, as highlighted in this annual report review.

I would like to reflect on the Investment Promotion Unit, who during this time of low investor confidence, and the ongoing energy crisis in South Africa, managed to achieve and substantially exceed their targets for the year under review. The Agency committed a total of 17 investment projects with an investment value of over R4,37bn, resulting in the creation of 1 830 direct jobs. The Agency continues to focus on building a robust project pipeline, and has adopted a targeted, data-driven approach to investment promotion.

Unfortunately, international leisure and business has been the hardest hit by COVID-19. Given the local economy's tourism-centricity, the impact has been devastating, with the local tourism and hospitality sector all but crippled over the past 12 months. Recognising the extent to which livelihoods have been affected, both directly and indirectly, by the pandemic-related devastation caused to this sector, rebuilding and supporting the local tourism industry is a key and critical objective.

The Film and Media Unit, which despite a very difficult and challenging environment, managed to meet its film and media declaration targets in the period under review. And all at a time when the local film and creative industries sectors had been brought to their knees by the pandemic-related restrictions.

On every level, Wesgro has done exceedingly well to meet its objectives, and on behalf of the members of the Board, I would like to thank every staff member who worked harder than ever to achieve this.

And now as we look to the future and to rebuild our economy, it remains my belief that our team will have a big impact on boosting economic recovery, as we emerge from the crisis. Wesgro works hard to promote and facilitate tourism, export and investment, and to strengthen the building blocks that enable the economy to grow, such as global connectivity (e.g., Cape Town Air Access) and ease of doing business (e.g., the InvestSA Western Cape One-Stop-Shop).

I would like to extend a big thank you to Premier Alan Winde, Executive Mayor Dan Plato, MEC David Maynier and Alderman James Vos. It is your support and vision and your remarkable commitment to growing the economy of the Western Cape that enables Wesgro to deliver on its targets and objectives year upon year. Your unwavering commitment to the people of the Western Cape and your strong leadership and clarity of mind saw this Province through some of its darkest days during the COVID-19 pandemic. We thank you.

Lastly, I would like to thank our former Chief Executive Officer, Tim Harris, our acting Chief Executive Officer, Yaw Peprah and the members of the Wesgro Board. Your leadership in a time of great crisis has been an inspiration and the Agency's seamless adaption to the "new normal" has been a pillar of strength to business in the Western Cape.



A stylized, handwritten signature in black ink, consisting of a series of loops and a small square at the end.

Mike Spicer

Chairperson

Wesgro

September 2021

4. chief executive officer's overview

It is over 400 days since President Ramaphosa announced South Africa's first lockdown measures, which effectively saw the country go into 21-days of hard lockdown in a bid to "flatten the curve" of COVID-19 infections. Who at that time would have known the extent and depth to which the world as we knew it would change over the course of the next year?

While uncertainties and risks related to the pandemic still abound, we are in many ways better conditioned and equipped to deal with these than a year ago. We simply have had to adapt and realign ourselves to this fluid and fast-changing world, as the cost of failing to do so was simply too great. This holds true for the business sector, and the reality is that the way in which the world does business has changed, and possibly, forever.

As an agency tasked with the promotion of tourism, export, and investment, we have seen first-hand the profound impact that pandemic-related measures globally have had on several sectors in our local economy. From stalled global supply chains, to flailing global demand, to the drying-up of the global business and international leisure industry, all of which have had a very direct and costly impact on our economy. This has forced us to rethink entirely how we operate as an agency to achieve our mandates.

I can proudly say that we as Wesgro have adeptly and successfully adapted over the past year and have been able to meet most of our set targets, and some with resounding success. Key to this has been the way the Agency and the greater business community have transitioned and embraced the use of technology.

Encouragingly, select pockets of the global economy have rallied strongly since late 2020 on a combination of improving (vaccine-induced) economic confidence and massive fiscal stimulus packages, and the expectation is that this will broadly continue as the vaccine rollout progresses globally, albeit at varying paces. Uncertainties and risks aside, the hope is that this will translate into rising investment and export opportunities for our local economy, and the return of international travellers to our shores.

I would like to use this opportunity to look back to the financial year under review. I believe that if we take a moment to reflect on some of Wesgro's achievements and how the Agency's work impacts the economy, it will be clear that Wesgro has a significant role to play in the economic recovery of the Western Cape.

Despite the complexities and challenges faced in the 2020/21 financial year, Wesgro attracted, facilitated, and supported direct investments, film and media deals, export agreements and tourism initiatives with an estimated economic impact of over R9,6bn.

I would like to reflect on the Export Promotion Unit, which is mandated to promote and facilitate the exports of goods and services from companies in the Western Cape. The Unit also supports the expansion of Western Cape companies into the rest of Africa (OFDI). During the financial year under review, the Unit facilitated 66 export promotion business agreements, with an estimated economic impact of R4,66bn, resulting in 357 direct jobs. In addition, seven OFDI projects were committed to the value of R727,75m. These achievements are remarkable and are testimony to the Unit's seamless transition and successful adaptation to the virtual trade mission platform.

In addition to the above, the Export Promotion Unit also implements an Export Advancement and Promotion (EAP) training programme focussed on building export competence and capability of companies in the Western Cape. The EAP programme had an exceptionally busy and successful year, undertaking seven training sessions in the Cape Metro, Overberg, Winelands, Garden Route and Winelands districts, all of which were very well subscribed too. To contextualise this, some 148 companies were trained in exports in the year under review, significantly higher than the target of 90 companies.

The Investment Promotion Unit, which attracts and facilitates foreign and local direct investment in the Western Cape, also saw remarkable achievements in the 2020/21 financial year. Through the adoption of a more proactive approach to targeting investors locally and internationally, the Unit exceeded its annual target through the commitment of 17 investment projects with an investment value of over R4,37bn.

To support the facilitation of investment into the Province, Wesgro operates the Western Cape InvestSA One Stop Shop, a collaborative space between government departments to streamline regulatory and administrative bottlenecks for potential investors. During the financial year under review, the Unit facilitated a total of 22 regulatory approvals, thereby assisting the Investment Promotion and Agribusiness Investment Unit in securing R1,6bn in investments and 109 direct jobs.

The District Unit, which is mandated to provide greater economic promotion support to all non-metro municipalities in the Province, continued to make its mark in the regional economy. 240 local and district municipal engagements took place during the year under review, with 28 new investment projects recruited in the District Unit project pipeline. The Unit also secured R661,61m in committed investment, resulting in the creation of 910 direct jobs and approximately 1 300 indirect jobs. Some 100 companies completed the export advancement vocational training, 15 of which were selected for the one-on-one export mentorship programme.

Wesgro's Film and Media Promotion Unit continues to gain momentum, and significant strides have been made in promoting the Province as a globally competitive filming destination. The Film and Media Promotion Unit seeks to promote the City of Cape Town and the Province as a preferred filming destination. Through increased efforts to promote these destinations and grow the industry, the Agency secured a total of seven film and media production declarations, to the value of R612m, which created a total of 413 full-time equivalent (FTE) jobs during the financial year under review.

Despite unprecedented challenges faced by the global tourism sector in 2020, the Agency has confidently pursued its mandate to promote Cape Town and the Western Cape as a preferred business and tourism destination through the implementation of various tourism destination marketing initiatives. During the period under review, the Agency supported a total of 15 tourism destination marketing initiatives, with an estimated economic impact of over R487,24m. The Convention Bureau secured 15 conference bids.

Never has the need been greater for us as a nation to band together and work towards the successful and sustainable reconstruct of our economy. This is going to require massive effort across the spectrum, from both private industry and the public sector. I firmly believe that with a team that can achieve all of this and more, we are already on the path to recovery.

I would like to thank the staff of Wesgro for their hard work and dedication to the Western Cape economy. Without them, none of this would be possible.

I would also like extend a special thank you to all our partners at all levels of governments, and the private sector. The past year has shown once again that we are stronger together. The values and spirit of collaboration continue to see us through this crisis and needs to be the foundation upon which we rebuild this economy. I would like to thank Premier Alan Winde, Executive Mayor Dan Plato, MEC David Maynier and Alderman James Vos for their leadership and vision.

Lastly, I would like to thank the Wesgro board members for their leadership and guidance and for always expecting nothing but the best from our team.

I have great confidence that with this team, we are well positioned to thrive in this new, challenging global economic order.



Yaw Peprah
Acting Chief Executive Officer
Wesgro
September 2021

5. statement of responsibility and confirmation of accuracy of the annual report

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General South Africa.
- The annual report is complete, accurate, and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The annual financial statements (contained in Part E of this report) have been prepared in accordance with the South African standards of Generally Recognised Accounting Practices (GRAP), standards applicable to the public entity.
- The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The accounting authority is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance regarding the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditor is engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2021.



Yaw Peprah

Acting Chief Executive Officer

Date: 30 September 2021



Mike Spicer

Chairperson of the Board

Date: 30 September 2021

6. strategic overview

6.1. Vision

To help the Western Cape become one of the world's leading regional economies.

6.2. Mission

The Agency's purpose is to help facilitate the growth of the economy of Cape Town and the Western Cape on a sustainable basis and in so doing create employment opportunities for a broad range of skilled, semi-skilled and un-skilled workers.

The mission of the Agency is to:

- Facilitate the retention and growth of investment, exports, film and tourism.
- Position and market the Province as a competitive and sustainable investment, exports, tourism and film destination globally.

- Facilitate the link between business and government decision-makers.
- Provide service excellence in all our business support functions.

6.3. Values

Wesgro's Management and Staff will strive to uphold the following values in all its business activities:

- Professionalism and commitment to excellence
- Efficient and outcomes-driven
- Accountability
- Innovation
- Enabling
- Passionate
- Courage
- Integrity and trust

6.4. Constitutional, legislative and other mandates

6.4.1. Constitutional mandate

Constitution of the Republic of South Africa, 1996

Schedule 4 of the Constitution of the Republic of South Africa lists functional areas of concurrent national and provincial legislative competencies. Those areas which are relevant for economic development and tourism are:

- Consumer protection
- Industrial promotion
- Tourism
- Trade

Schedule 4B of the Constitution identifies local tourism as a local government matter of concurrent national and provincial legislative competence, to the extent set out in sections 155(6)(a) and (7) of the Constitution.

6.4.2. Legislative mandates

This section provides an overview of the acts that significantly impact the work of the Agency.

Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013)

To provide for the establishment, appointment, powers and functions of the Western Cape Tourism, Trade and Investment Promotion Agency to promote and support the economic growth and development of the province, and to provide for matters incidental thereto. [Long title amended by sec 14 of Act 6 of 2013 wef 28 August 2013.]

Wesgro is a Schedule 3C Public Entity. Its legislative mandate, as provided for in the Objects of the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013), includes:

- (f) "to furnish tourism, trade and investment marketing assistance and expert and specialised advice, information and guidance to any business, company or association of persons who so request it from the Agency or would assist the Agency in achieving its objects;
- (h) to act as a tourism, trade and investment promotion agent on behalf of the Province and to facilitate co-ordinated destination marketing activities for the Western Cape;
- (l) to develop, implement and promote a provincial tourism, trade and marketing strategy and implement any project that realises growth in the economy of the Western Cape;

- (n) to exercise such other powers which, in the opinion of the Minister are necessary for the achievement of its objects and which the Minister, in consultation with the Board, may confer upon the Agency by notice in the Provincial Gazette;
- (o) to promote the Province as a tourism destination;
- (p) to promote leisure and business tourism and events; and
- (q) to promote the alignment of provincial marketing activities in all tourism sectors in the Province in collaboration with private and public entities”.

Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended by the B-BBEE Amendment Act, 2013 (Act 45 of 2013)

The B-BBEE Act establishes a legislative framework for the promotion of black economic empowerment, empowers the Minister to issue codes of good practice and publish transformation charters, establishes the Black Economic Empowerment Advisory Council, and provides for matters connected therewith. The B-BBEE Amendment Act introduced a number of changes, the following of which are deemed to be the most significant:

- The establishment of a B-BBEE Commission that provides an oversight and advocacy role.
- The definition of “fronting practices” and the criminalisation of such practices.
- All organs of state to report on compliance with B-BBEE regulations in their annual reports.

The amendments to the B-BBEE Codes of Good Practice came into effect on 1 May 2015.

The Special Economic Zones Act, 2014 (Act 16 of 2014)

The purpose of the Act is to provide for the designation, promotion, development, operation and management of special economic zones (SEZs), which includes the establishment of a business enterprise (either provincial or municipal) to manage each SEZ. The Act provides for the establishment and functioning of the national Special Economic Zones Advisory Board and the establishment of the Special Economic Zones Fund. The Act seeks to regulate the process of applying for and issuing SEZ operator permits and to provide for functions of the SEZ operator.

Tourism Act, 2014 (Act 3 of 2014)

This Act makes provision for the development and promotion of sustainable tourism for the social, economic and environmental benefit of South African citizens. Its objectives include the promotion of responsible tourism practices, the effective marketing of South Africa, both domestically and internationally by South African Tourism, the promotion of quality tourism products and services, the promotion of economic growth and development of the sector, and the establishment of concrete inter-governmental relations to develop and manage tourism. It specifically makes provision for further training and registration of tourist guides, a code of conduct and ethics for tourist guides, procedures to lodging complaints and disciplinary measures.

6.4.3. Policy mandates

6.4.3.1 National policy framework

State of the Nation Address (SONA)

In the State of the Nation Address (SONA), held on 11 February 2021, the President highlighted the following four key areas of focus:

1. Overcoming COVID-19.
2. Accelerating economic recovery.
3. Implementing economic reforms to drive inclusive growth.
4. Fight corruption and strengthen the state.

South Africa's Economic Reconstruction and Recovery Plan, October 2020

The Plan aims to build a new economy and unleash South Africa's true potential. The overarching goal of the plan is to create sustainable, resilient and inclusive economy. It will focus on the following priority interventions:

- Aggressive infrastructure investment
- Employment orientated strategic localisation, reindustrialisation and export promotion
- Energy security
- Support for tourism recovery and growth
- Gender equality and economic inclusion of women and youth
- Green economy interventions; • Mass public employment interventions
- Strengthening food security
- Macro-economic interventions

Medium Term Strategic Framework

The Medium-Term Strategic Framework (MTSF) is the Government's Strategic Plan for the 2020-2024 electoral term. The MTSF sets out the actions that Government will take, and the targets to be achieved. It also provides a framework for the other plans of National, Provincial and Local Government.

National Development Plan (NDP)

The National Development Plan (NDP) represents a vision for the South Africa of 2030. It aims to enable faster economic growth, higher investment and greater labour absorption. The NDP contains detailed plans and interventions across all sectors of the economy to enable the achievement of this vision.

Industrial Policy Action Plan (IPAP)

The Industrial Policy Action Plan (IPAP) is firmly entrenched in Government's overall policy and plans to address the key challenges of economic and industrial growth and race-based poverty, inequality and unemployment. IPAP 2018 is a product of the Economic Sectors, Employment and Infrastructure Development (ESEID) cluster. The responsibility for its implementation lies with Government as a whole, and a wide range of entities, including State Owned Companies. IPAP 2018 focusses on the following ten key themes that inform the work of the DTI and serve as a roadmap for the wider industrial effort:

1. Grow the economy.
2. Strengthen efforts to raise aggregate domestic demand – mainly through localisation of public procurement and intensified efforts to persuade the private sector to support localisation and local supplier development.
3. Step up South Africa's export effort.
4. Create and reinforce policy certainty and programme alignment.
5. Strengthen ongoing efforts to build a less concentrated, more competitive economic and manufacturing environment in which barriers to entry for new entrants are lowered.
6. Build a stronger system of industrial finance and incentives to support and secure higher levels of private sector investment in the productive sectors of the economy and grow exports.
7. Press ahead with technology-intensive, value-adding beneficiation projects which fully leverage SA's comparative resource endowment advantage into a global competitive advantage.
8. Optimise technology transfer and diffusion and, working closely with the Department of Science and Technology, further ramp up the effort to commercialise "home-grown" R&D in key sectors.
9. Support the further strengthening of energy-efficient production and carbon mitigation efforts and measures in a manner that allows for sustainable adaptation by all the energy-intensive sectors of the economy.
10. Understand, grasp and prepare for the foreseeable effects of the Digital Industrial Revolution and emergent disruptive technologies, collaboratively adapting SA's production and services sectors to meet the challenges, including those related to employment displacement.

National Tourism Sector Strategy (NTSS)

The National Tourism Sector Strategy (NTSS) aims to inspire and accelerate the responsible growth of the tourism industry. It has the following three core themes, with specific focus areas which has a national, provincial and local perspective:

- THEME 1: Tourism growth and the economy
- THEME 2: An enhanced visitor experience
- THEME 3: Sustainability and good governance

6.4.3.2 Provincial policy framework

State of the Province Address (SOPA)

During the State of the Province Address (SOPA), delivered on 18 February 2021, the Premier outlined the Western Cape Government's focus areas for the next year as:

- COVID-19 response
- Johnson and Johnson trials
- Jobs and the economy
- Safety
- Dignity and well-being

Provincial Strategic Plan (PSP)

Aimed at creating an enabling environment that facilitates opportunities, and encourages responsible citizenship, the Western Cape Government has developed five Vision Inspired Priorities (VIPs). These are:

- VIP 1 – Safe and cohesive communities
- VIP 2 – Growth and Jobs
- VIP 3 – Empowering people
- VIP 4 – Mobility, spatial transformation and human settlements
- VIP 5 – Innovation and culture

The Department of Economic Development and Tourism (DEDAT), through its programmes and activities, contributes to the achievement of VIP 2: Growth and Jobs.

The focus areas for VIP 2 are:

- Increasing Investment
- Building and maintaining Infrastructure
- Growing the economy through export growth
- Creating opportunities for job creation through skills development
- Creating an enabling environment for economic growth through resource resilience

Dignity is central to these themes. The citizen is the centre of everything that we do as government, and what we deliver and how we deliver, must be upheld in the dignity of every individual, household and community.

Wesgro contributes to the achievement of VIP2: Growth and Jobs and has developed its 5-year strategy and the achievement thereof to the creation of an enabling environment that fosters economic growth and job creation. In terms of the current COVID environment and economic climate, Wesgro has doubled down on its effort to economic and export growth.

The Western Cape Recovery Plan is built on four themes:

- COVID Recovery: The pandemic will be with us for the foreseeable future; existing measures must continue and new ones put in place to deal with disruptors to the economy and service delivery.
- Jobs: The economic impact of COVID-19 has been severe. We can only recover if our economy grows and our citizens generate income.

- Well-being: Government must ensure that the basic human needs of our citizens are realised, as guaranteed in the Constitution.
- Safety: This is the over-arching theme for the Provincial Strategic Plan, and it is equally relevant going forward. It is inextricably linked with Wellbeing, as Safety cannot be achieved if basic human needs are not met.

Wesgro's legislative mandate and response to the Western Cape's Recovery Plan:



Key areas of focus, which are delivery items across the programmes in Wesgro, are:

Investment

- Improve international positioning of the Western Cape region.
- Improve positioning of the Western Cape locally – i.e., to companies currently based in Gauteng and KZN.
- Improve ease of doing business and the investment ecosystem.
- Improve investment facilitation.
- Improve retention strategy.
- Optimise resourcing within the investment ecosystem.

Export

- Stimulate the growth of key sectors such as Business Process Outsourcing, tourism, agriculture and agri-processing.
- Assist firms in moving up the product and services complexity continuum.
- Improve productivity in key tradeable sectors through all the instruments at the government's disposal.
- Deepen existing destination markets and seek out new markets with local firms through trade promotion.
- Promote trade in key destination markets (i.e., rest of Africa).
- Support tourism – air access.

7. organisational structure

Wesgro is a Schedule 3C public entity, as stipulated in the Public Finance Management Act, Act 1 of 1999 (PFMA), and is managed by a board of directors appointed by the executive authority. The table below provides a list of the Wesgro Board members in 2020/21.

Table 1: Wesgro Board members	
Name	Title
Prof Brian Figaji	Former Chairperson (appointed 01 July 2017, resigned 30 June 2020)
Mr Michael Spicer	Chairperson
Mr Ian Bartes	Director and Chairperson of the Audit, IT and Risk Committee
Ms Andrea Böhmert	Director
Mr David Green	Deputy Chairperson
Mr Paul Bannister	Director
Mr John Copelyn	Director
Ms Ruwaida Eksteen	Former Director (appointed 14 May 2019, resigned 22 February 2021)
Mr Geoffrey Jacobs	Director
Ms Mpumi Dweba	Director
Ald Marius Koen	Director
Ald (Dr) Helena von Schlicht	Director
Mr John van Rooyen	Director
Mr Solly Fourie	Ex officio member of the Board representing the Provincial Government of the Western Cape
Mr Lance Greyling	Ex officio member of the Board representing the City of Cape Town, and Chairperson of the Human Resources, Remuneration and Nominations Committee

7. organisational structure

Wesgro Board Members



Mr. Michael Spicer
Chairperson



Mr. Ian Bartes
Chairperson of the Audit, IT
and Risk Committee/Director



Ms. Andrea Böhmert
Director



Mr. David Green
Deputy Chairperson



Mr. Paul Bannister
Director



Mr. John Copelyn
Director



Ms. Mpumi Dwebe-Kwetana
Director



Mayor Marius Koen
Director



Mayor Helena von Schlicht
Director



Mr. John van Rooyen
Director



Mr. Geoffrey Jacobs
Director



Mr. Solly Fourie
Ex-Officio Member of the
Board representing the
Provincial Government



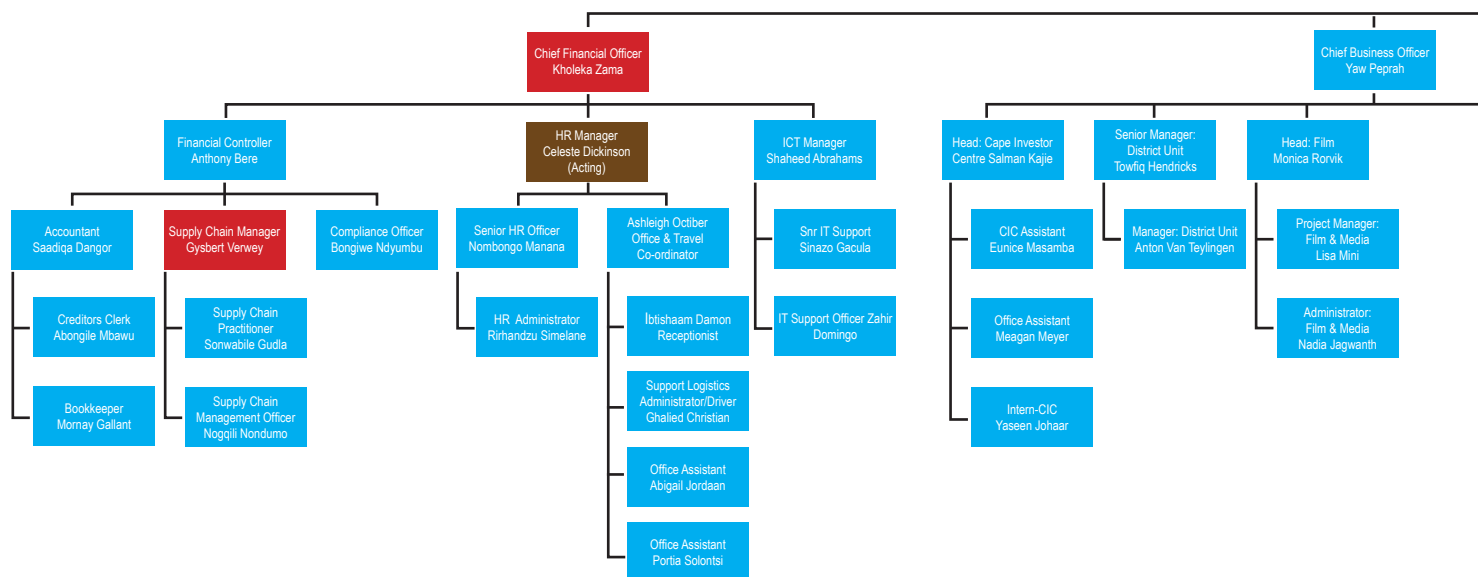
Mr. Lance Greyling
Ex-Officio Member of the
Board representing the
City of Cape Town/
Chairperson of the Human
Resource and Remuneration
Committee



Mr. Yaw Peprah
Acting Chief Executive Officer

7.1 Organogram

The current organisational structure is adequate to deliver on the current mandate.
Any new additional priorities would require temporary technical resources, where applicable.



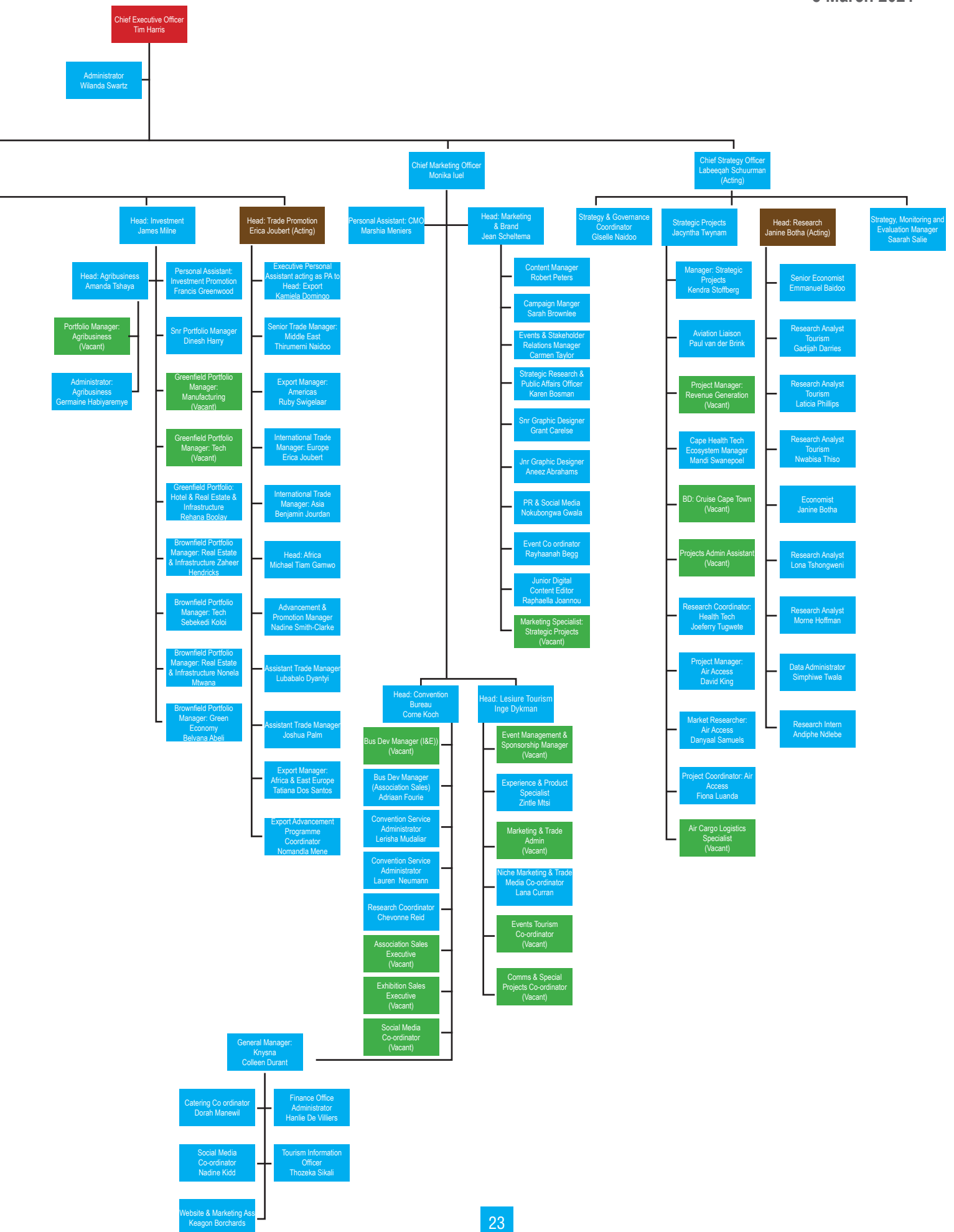
LEGEND

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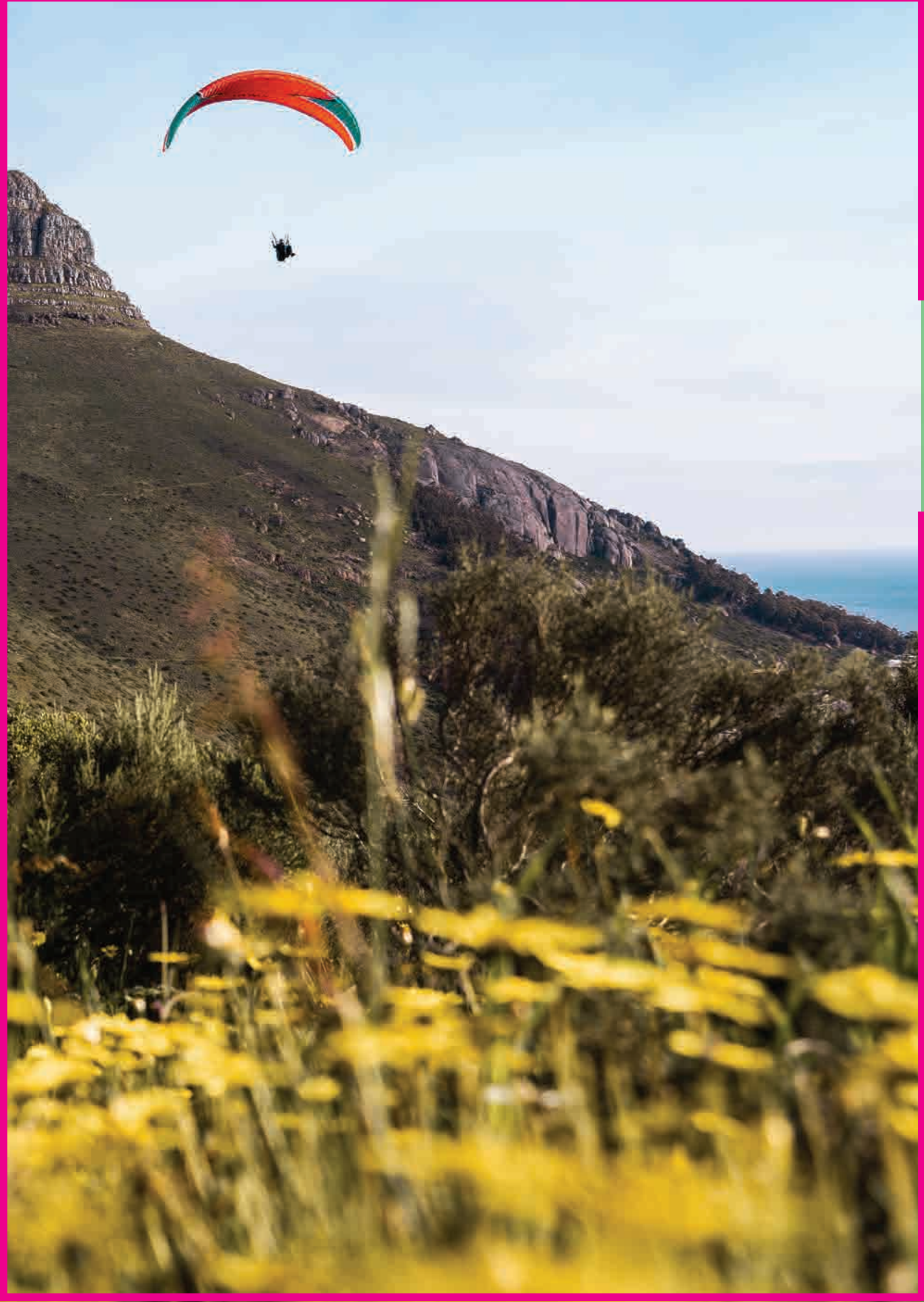
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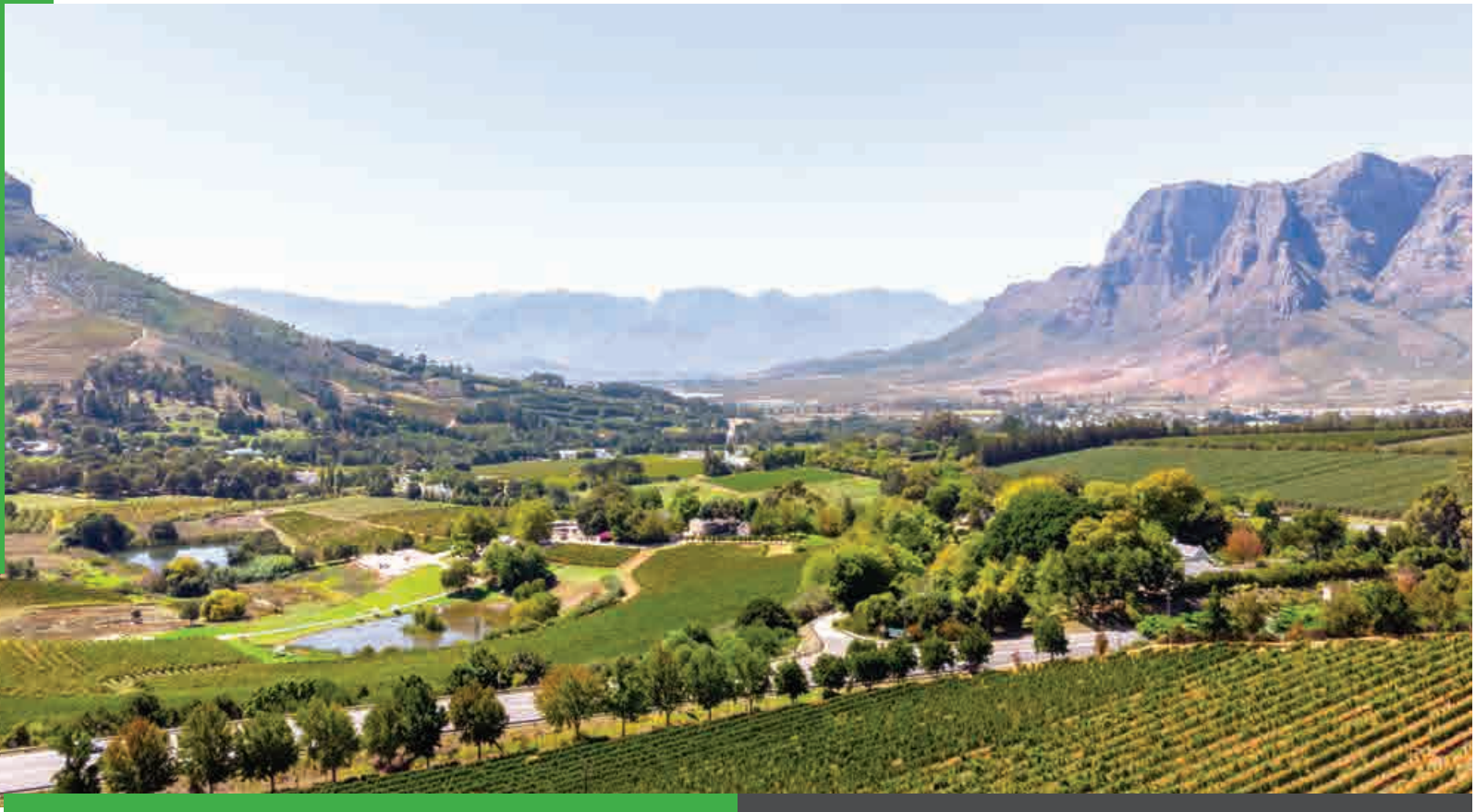
ACTING

CRITICAL









part b

performance information

part b: performance information

1. auditor's report: predetermined objectives

The Auditor-General South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the "Predetermined Objectives" heading in the "Report on other legal and regulatory requirements" section of the auditor's report.

See page 82 of the auditor's report, contained in Part E of this report.

2. situational analysis

2.1. Service delivery environment

An increasingly volatile global trade regime, a stagnating economy in South Africa, the ongoing effects of the drought and the outbreak of the COVID-19 pandemic contributed to the Agency having to deliver in a challenging environment. Notwithstanding these very serious challenges, the Agency performed well during the period under review.

During the 2020/21 financial year, the Agency achieved an estimated economic impact of over R9,6bn and created 2 600 jobs. The Agency committed a total of 17 investment projects with an investment value of over R4,37bn, resulting in the creation of 1 830 jobs. The Agency continues to focus on building a robust project pipeline, and has adopted a targeted, data-driven approach to investment promotion.

Through increased efforts in driving global exports and the facilitation of outward foreign direct investment (OFDI), the Agency performed well during the period under review. A total of 66 trade promotion business agreements were signed, with an estimated economic impact of R4,66bn, resulting in 357 jobs. In addition, seven OFDI projects were committed to the value of R727m.

To circumvent economic challenges and uncertainty around foreign direct investment projects, the Agency has set the targets for the Investment Promotion and Export Promotion programmes within a range. With this in mind, it should be noted that any deviation from the set planned targets are calculated based on the lower limit of the band.

The Agency has confidently pursued its mandate to promote the Province and the City of Cape Town as preferred business and tourism destinations through the implementation of various tourism destination marketing initiatives. During the period under review, the Agency supported a total of 15 tourism destination marketing initiatives, with an estimated economic impact of over R487m. The Convention Bureau secured 15 conference bids.

The Agency has emphasised the importance of research-driven planning and lead generation. The Research team assists the Agency in achieving its mandate by providing economic research and market intelligence to support the work of tourism, export, investment and film, and for the use of Wesgro clients. During the financial year under review, the Agency produced 110 publications and, with an average turnaround time of 1,2 days.

As part of its strategy, the Agency focussed on building the Cape's business brand, the provincial tourism destination brand and the Wesgro brand. A number of reputation management and knowledge building initiatives were implemented. During the financial year under review, the Agency generated a total value of over R121m media coverage (measured using Advertising Value Equivalents).

The Film and Media Promotion Unit seeks to promote the City of Cape Town and the Province as a preferred filming destination. Through increased efforts to promote these destinations and grow the industry, the Agency secured a total of seven film and media production declarations, to the value of R612m, and created a total of 413 full-time equivalent (FTE) jobs.

With increased efforts to promote the Province as the preferred business and tourism destination, the Agency has made significant strides in creating an enabling environment to facilitate investment into the Province, increase exports and promote the Province as a preferred tourism destination.

The table below provides a breakdown of the estimated economic impact of the various initiatives implemented per programme:

Table 2: Overall estimated economic impact and jobs created in 2020/21		
Programme	Estimated economic impact (R)	Direct jobs
Investment promotion (including agribusiness)	4 379 380 000	1 830
Export promotion	4 666 629 296	357
Tourism destination marketing	487 244 800	-
Film and media promotion	612 000 000	413
Total	9 658 009 296	2 600

2.2. Organisational environment

With the institutionalisation and operationalisation of the new strategy, which focusses on growth, job facilitation and marketing the destination, the Agency has ensured its effectiveness through the implementation of various initiatives. Through concerted efforts, the new strategy has yielded positive results. However, the Agency is continuously reviewing the strategy and identifying shortcomings and ensuring that the required mitigation strategies are in place to circumvent non-performance.

SWOT Analysis

An analysis of Wesgro's key strengths, weaknesses, opportunities and threats was conducted to assist the Agency in developing its priorities for the five-year period from 2020/21 to 2024/25.

Strengths	Weaknesses
<ul style="list-style-type: none"> Over 35 years' proven track record and an established global brand in economic diplomacy Sector and market specialists in the investment, export, film, leisure and business tourism teams Established a strong investment pipeline Strong capability in creating market access through effective export missions Excellent track record in promoting outward investment into the rest of Africa Leveraging technology to sell our destination Responsive research and thought leadership capability Strong relationships with Local, Provincial, National and Global Partners Highly responsive to stakeholder needs Primary bridge between business and government within the context of our mandate Collaborative approach to realising opportunity and reputation management, especially crisis communications for the destination Solid governance and financial controls 	<ul style="list-style-type: none"> Co-ordination with the Department of Trade Industry and Competition The Agency needs to be co-funded optimally by the Provincial Government of the Western Cape and the City of Cape Town in order to deliver on its legislative mandate, especially with the shrinking public fiscus Onerous compliance requirements and reporting Employees are regularly able to obtain higher remuneration at other agencies or in the private sector Dilution in sectors such as tourism, due to the duplication in 'effort' and direction between DEDAT, CT Tourism and Wesgro
Opportunities	Threats
<ul style="list-style-type: none"> Establish a better destination and economic brand hierarchy for global marketing efforts Shifting global economic trends presenting new opportunities for innovation, investment, export, tourism and film Sectors geared for growth in the future are strongest in the Western Cape Inter- and intra-Agency collaboration to drive the nation's growth agenda Enhancement of thought leadership capability Strengthening relationships with stakeholders and the private sector Increase revenue generation sources 	<ul style="list-style-type: none"> The COVID-19 pandemic impacting on all activities of the Agency, such as working from home and the effect that it has on the CBD and the reduction of traffic in physical events Lack of collaboration between role-players and duplication in effort Negative perceptions of SA that affect confidence in the destination The impact of climate change on the economy Increasing pressure on economic infrastructure Exchange rate fluctuations Safety and security issues (perceived and real) High level of youth unemployment Skills development not in line with changing industry needs Capacity of the Cape Town port infrastructure and the railways that service the port Changes in legislative frameworks, which may impact on the work of the Agency, such as POPIA and Intellectual Property legislation

2.3. Key policy developments and legislative changes

No policy developments or legislative changes occurred during the period under review.

2.4. Strategic outcome-oriented goals

The Agency has made significant strides towards the achievement of its strategic goals by adopting an outcomes-based approach focussed on results. From the commencement of the 2016/17 reporting cycle to 2019/20, the Agency committed a total of 56 projects with an investment value of R11,01bn, facilitating a total of 4 224 jobs.

Aimed at increasing the value of global exports and assisting companies in expanding into Africa, the Agency has adopted a more proactive approach, which has yielded positive results. A total of 239 trade agreements were signed, with an estimated export value of over R20,6bn, facilitating 2 738 jobs for the period 2016/17 to 2019/20. In addition, the Agency committed 25 OFDI projects, with an investment value of R1,7bn for the same period.

To promote the region as a preferred tourism and business destination, the Agency implemented and supported various tourism initiatives. Aligned to the Western Cape Government's key areas of focus, the Agency has delivered on specific initiatives that contribute to regional growth and job creation. The Agency supported a total of 95 tourism marketing initiatives, with an estimated economic value of R2,4bn for the period 2016/17 to 2019/20.

Furthermore, the Agency is committed to building a globally competitive film sector within the Province and has implemented a robust strategy aimed at strengthening the sector and attracting productions to the province. The Agency also signed a total of 26 film and media declarations, with an estimated value of over R5,6bn, facilitating a total of 8 393 FTE jobs for the period 2016/17 to 2019/20.

Table 3: Strategic goal

Strategic goal	To grow the Western Cape economy through investment, export, tourism and film promotion.			
Outcome statements	<p>It is envisaged that the Agency will achieve the following deliverables for 2020/21 to 2024/25:</p> <ul style="list-style-type: none"> To recruit and facilitate between R10,11bn and R14,71bn committed investments into the Province, resulting in between 3 705 and 7 691 jobs. To recruit and facilitate between R16,70bn and R25,04bn trade agreements, resulting in between 2 840 and 3 716 jobs, and R1,36bn and R3,09bn Outward Foreign Direct Investment (OFDI). To market Cape Town and the Western Cape and support tourism destination marketing initiatives with an estimated economic value of R2,65bn and R4,24bn. To recruit and facilitate between R10,13bn and R17,82bn film and media productions brought into the Province, resulting in between 15 246 FTE jobs and 18 472 FTE jobs. To build a strong regional economic brand with an estimated rand value of R398,1m AVE. <p>Over the next five-years, the Agency will generate between R39,61bn and R61,82bn, resulting in the facilitation of between 21 791 and 29 879 jobs, as follows:</p>			
	Programme	Estimated economic impact (R)		Jobs
		Lower band	Upper band	Lower band
				Upper band
	Investment promotion	10 116 558 285	14 710 022 588	3 705
	Export promotion (including OFDI)	16 707 850 394	25 040 781 957	2 840
	Destination Marketing	2 654 567 905	4 247 308 648	-
	Film and media promotion	10 131 489 646	17 823 207 056	15 246
	Total	39 610 466 231	61 821 320 250	21 791
*The 5-Year Achievement targets are cumulative and take into consideration the current context of the South African economy and the international trade climate.				

Table 3: Strategic goal

Baseline	During the 2019/20 financial year, the Agency achieved a total of 113 investment declarations, film and media declarations, business agreements and tourism initiatives, with an estimated economic impact of over R9bn and over 5 000 jobs created. A total of 18 investment projects with an investment value of R2,24bn was committed, resulting in the creation of 1 485 jobs. In addition, six investment projects were committed in the agri-business sector, with an investment value of R557m, resulting in 635 jobs. A total of 37 export promotion business agreements were signed, with an estimated economic impact of R3,08bn, resulting in 973 jobs. Also, seven OFDI projects were committed to the value of R428,75m. A total of 46 tourism destination marketing initiatives were supported, with an estimated economic impact of R935,63m and R138,54m of AVE was generated for corporate communication and tourism.
Links	Wesgro plays a pivotal role in investment and export promotion, and marketing Cape Town and the Western Cape as tourism and film destinations.

3. performance information by programme

3.1. Programme 1: Corporate services

Purpose

The purpose of the programme is to provide efficient, cost-effective, transparent and responsive corporate services to the Agency, and to ensure that the principles of good corporate governance are implemented.

Programme structure

Sub-programme 1.1: Financial management

Effective financial management is aimed at ensuring the upholding of the legislative requirements of the Agency. The financial management sub-programme ensures that the necessary resources are provided to efficiently run core operations.

Sub-programme 1.2: IT and administrative services

As a provincial public entity, the Agency must comply with the Public Finance Management Act 1 of 1999 and the Public Service Act. Wesgro is compelled to follow the principles of these acts in ensuring that modernisation of management systems within the public sector is achieved, and transparency and accountability are maintained and visible. The corporate services programme has a focus on maintaining sound IT and administrative systems and infrastructure. Effective systems and processes are necessary to maintain credibility, ensure accountability, improve operating efficiencies and generate institutional memory.

Sub-programme 1.3: Human resources management

This sub-programme ensures that the Agency becomes the employer of choice and maintains a world-class, skilled and talented workforce. A priority is to attract, recruit and retain staff by creating a climate and culture conducive to sustaining a motivated workforce. Furthermore, the sub-programme ensures all legislative compliance regarding human resources management.

Sub-programme 1.4: Monitoring and evaluation

This sub-programme is responsible for the implementation and management of reporting systems, which must comply with the guidelines set in the Treasury Regulations, the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). The sub-programme is also responsible for the timely and accurate delivery of monthly, quarterly and annual reports to stakeholders.

Sub-programme 1.5: Strategic projects

This sub-programme aims to provide for effective management and completion of funded projects. These projects are those that specifically emanate from signed agreements with the Department of Economic Development and Tourism (DEDAT), the City of Cape Town and any other state agency, with specific ring-fenced funding and clearly outlined resources and milestones.

One of the most notable strategic projects for Wesgro has been the establishment of the Saldanha Bay Industrial Development Zone (SBIDZ). This project was managed by Wesgro for DEDAT from pre-feasibility study through to the designation and establishment of the SBIDZ as an entity. The administration and management of this project have formed the framework for future projects of a similar nature, and it is within this framework that strategic projects are managed. The guidance of the funders is sought (typically through a project governance structure) in relation to reporting and other documentation required in terms of the PFMA or MFMA.

The strategic projects, as approved by the Wesgro Board, include:

- Cape Health Technology Park (CHTP)
- Cape Town Air Access
- Atlantis Special Economic Zone (ASEZ)

The CHTP project is a DEDAT and DST project that is aimed at establishing a world-class innovation facility, which will culminate in the co-location of innovative firms, government and academia health innovation programmes, and business and innovation support organisations, with the main purpose of building a stronger pharmaceutical and human health technology industry in South Africa.

The Cape Town Air Access project aims to increase direct air access in and out of Cape Town to the rest of the world. The project aims to improve the Western Cape's competitiveness and support growth sectors to stimulate economic growth and enable job creation.

The ASEZ is the establishment of a subsidiary company to house infrastructure projects.

During the financial year under review, the Corporate Services Unit implemented the necessary systems and processes to ensure compliance with the relevant legislative prescripts in terms of expenditure and supply chain management, and performance management. The Agency received an unqualified audit with findings for the 2019/20 financial year. The final budget and annual performance plan for the 2020/21 financial year were completed and submitted as per the legislative requirements. The new project management budget tool was installed and implemented.

Since the insourcing of the IT function, the Agency has updated IT infrastructure and streamlined various processes to enhance operational efficiency. Desktop support continues to respond to IT support queries timeously due to the implementation of efficient processes. The annual inflationary staff increase of 6,25% was approved by the Wesgro Board and effected on 1 April 2020.

The Agency ensured that the performance agreements for the 2020/21 financial year were signed, and identified training needs were implemented, subject to the available budget. As part of the implementation, the Agency also assisted staff members by allocating funds to their postgraduate studies, which will further assist in developing them professionally. This forms part of the Agency's retention strategy.

The external audit was completed successfully and signed off, and the performance bonus for the 2019/20 financial year was approved by the Wesgro Board and paid in August 2020.

The Agency submitted five progress reports and four corporate plans to the relevant stakeholders as legislatively required. The Agency achieved an unqualified audit with findings for the 2019/20 financial year. The Agency was invited to appear before the Standing Committee on Economic Opportunities, Tourism and Agriculture and the Standing Committee on Public Accounts to present the Annual Report for the 2019/20 financial year. The report was well received as the committees welcomed the improved audit outcome. In addition, the Agency appeared before the Standing Committee on Finance, Economic Opportunities and Tourism to table the 2020/21 budget for Vote 12.

Strategic Objectives

Wesgro achieved an Unqualified Audit opinion with findings for the 2020/21 financial year. In 2018/19 and 2019/20 the entity received Unqualified Audit reports with findings.

Key performance indicators, planned targets and actual achievements

Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Unqualified Audit report with no material findings	Financial, SCM, IT, HR and M&E outputs	Positive financial viability assessment results	-	-	4	4	-	-
		Percentage achievement of annual budgeted operational expenditure	-	-	98%	98%	-	-
		Achievement maximum Broad Based Black Economic Empowerment spend	-	-	70%	72%	2%	The Agency actively sourced from high rating B-BBEE suppliers.
		Percentage B-BBEE spend on black owned suppliers	-	-	60%	64%	4%	The Agency actively sourced from high rating B-BBEE suppliers. This created an exponential effect on the actual expenditure.
		Percentage payment deviation from awarded contracts	-	-	10%	7%	-3%	Some services are ongoing and are still being rolled out. Contracts have not yet been completed, therefore there has not been full expenditure.
		Submission of the Annual Procurement Plan	-	1	1	1	-	-

Unqualified Audit report with no material findings	Financial, SCM, IT, HR and M&E outputs	Number of reports evidencing the maintenance of the Agency's ICT environment	-	-	4	4	-	-
		Percentage employee satisfaction	-	85%	80%	86%	-	-
		Percentage of annual total salary cost spent on staff training and internship opportunities	-	-	1%	1%	-	-
		Percentage of people from the employment equity target groups employed in compliance with the entity's approved EE plan	-	-	79%	73%	-6%	The Agency had very little staff turnover, so we could not make the target through natural attrition.
		Number of M and E performance reports submitted	-	8	8	8	-	-

Strategy to overcome underperformance

The IT service has been insourced and IT infrastructure and systems have been updated to ensure operational efficiency.

Changes to planned targets

No targets have been adjusted during the financial year.

Linking performance with budget

Programme	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Corporate Services	20 718	19 379	1 339	19 250	21 729	- 2 479
Total	20 718	19 379	1 339	19 250	21 729	- 2 479

3.2. Programme 2: Investment promotion

Purpose

The purpose of the programme is to attract and facilitate foreign and domestic direct investment in the Western Cape and the City of Cape Town.

Programme structure

Wesgro attracts direct investment in the Western Cape from international, national and local sources.

Strategic objective

Facilitate investment and job creation in the Western Cape.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of 17 investment projects, to the value of R4,37bn, against a target of R1,90bn-R2,77bn. This resulted in the creation of 1 830 jobs and growing the Western Cape's industrial base. Investment performance has focussed on the commercialisation of investments in the renewable energy and manufacturing sectors, among others.

Table 4: Committed investment projects 2020/21

Company	Source country	Broad sector	Rand value (R')	Jobs	District
Signed NDA	South Africa	Retail	2 125 000 000	125	City of Cape Town
Rainmaker	Namibia	Tourism	8 000 000	30	City of Cape Town
Teraco	South Africa	Tech	1 500 000 000	23	City of Cape Town
What Now Travel	United Kingdom	Tourism	10 000 000	20	City of Cape Town
The Sun Exchange*	South Africa	Solar Financial PV	25 000 000	12	City of Cape Town
Emvelo Renewable Solutions (Pty) Ltd*	China/Germany	Solar PV	6 850 000	50	Cape Winelands
71 Point 4*	South Africa	Energy	426 848*	2	City of Cape Town
DBC International	South Africa	BPO	29 000 000	500	City of Cape Town
Kepu Energy*	South Africa	Energy	12 500 000*	10	City of Cape Town
Cape Originals (Pty) Ltd – trading as Avoova	South Africa	Manufacturing	610 000	10	City of Cape Town
5W Enterprise	Netherlands	Manufacturing	100 000 000	700	City of Cape Town
Display Mania International	South Africa	Manufacturing	-	68	City of Cape Town
Plattner Golf (Pty) Limited – trading as Fancourt	South Africa	Tourism	561 000 000	200	Garden Route, George
Route to Market Solutions	South Africa	Retail	-	42	City of Cape Town
Texies Holdings	South Africa	Retail	1 000 000	8	City of Cape Town
Skyvilla Boutique	South Africa	Tourism	-	27	Garden Route
She Recruits	South African	Business Services	-	3	-
Total			4 379 386 848	1 830	

During the 2020/21 financial year, the Unit recruited a total of 103 new quality investment projects into the project pipeline. Through the adoption of a more proactive approach to targeting investors locally and internationally, the Unit exceeded the annual target for project recruitment. The Unit also held 62 engagements with municipalities in the Province to assist with promoting and attracting investments into the region.

Outward missions were not conducted in the financial year, given the limitations posed on international travel by the COVID-19 pandemic. To maintain its presence in global markets, the Unit solicited the services of lead generation facilitators in the United Kingdom, Europe (Germany, Netherlands, and Austria), China and the Middle East.

A total of 37 webinars were hosted to position the Western Cape as an attractive investment destination, and to share specialist insights with existing investors to support the retention of their businesses through the pandemic.

Special projects – Agribusiness Investment Unit (AIU)

The Investment Promotion Unit manages the Agribusiness Investment Unit (AIU) on behalf of the Department of Agriculture.

Purpose

The purpose of the Unit is to attract and facilitate foreign and domestic investment in the Western Cape, and to retain existing investments and support their expansion.

Strategic objective

Facilitate investment and job creation in the Western Cape.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of five investment projects, to the value of R371m, against a target of R420m-R525m. This assisted in the creation of 662 jobs against a target of 210-294.

The table below provides a breakdown of committed investment projects and the number of jobs created during the financial year under review:

Table 5: Agribusiness Investment Unit (AIU) Committed investment projects 2020/21					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
BEL Group SA	South Africa	Agribusiness	97 776 900	40	Garden Route
Teckopac	South Africa	Agribusiness	8 500 000	82	City of Cape Town
Fall Creek Nursery Inc.	United States	Agribusiness	150 000 000	100	Cape Winelands
Doring Bay Abalone	South Africa	Agribusiness	250 000 000	40	West Coast
Primo Cane	South Africa	Agribusiness	90 000 000	400	Cape Winelands
Total			371 276 900	662	

The Unit recruited a total of 27 new quality investment projects into the project pipeline. Further to this, the Unit held eight engagements with SDAs, attended 19 industry events, and held 37 engagements with national government and SOEs and 238 corporate engagements.

Outward missions were not conducted in the financial year, given the limitations posed on international travel by the COVID-19 pandemic. To maintain its presence in global markets, the Unit solicited the services of lead generation facilitators in the United Kingdom, Europe (Germany, Netherlands, and Austria) and the Middle East.

Special projects – InvestSA One Stop Shop: Western Cape

Wesgro has been tasked to set up and operationalise the provincial “One Stop Shop”. This is an initiative being run by the Dtic’s Invest SA division. The Cape Investor Centre is a collaboration of various arms of both national and regional governments which endeavours to assist potential investors with regulatory and administrative bottlenecks.

Purpose

To reduce red tape around setting up and operating a business in the Western Cape and as a result, increase investment and job creation in the region.

Performance overview

The Unit facilitated a total of 22 regulatory approvals, thereby assisting the Investment Promotion and Agribusiness Investment Unit in securing R1,6bn and 109 jobs during the period under review. The One Stop Shop’s performance has contributed significantly to the objectives set out by InvestSA in that it continues to play a role in enhancing the ease of doing business for local and international companies.

The table below provides a breakdown of the 22 regulatory issues resolved during the period under review:

Table 6: Regulatory issues resolved 2020/21			
Company	Source country	Broad sector	Partner organisation
Tekco Pack	South Africa	Manufacturing	DoL
Adventure Works	South Africa	Business Services	DoL
RTMS	South Africa	Logistics	DoL
360 Degree Interiors	South Africa	Manufacturing	dtic / SAPS
AAT Composites	South Africa	Manufacturing	Dtic / SAPS
Soccerise	South Africa	Sports Education	DoL
Ucook	South Africa	HORECA	WCLA
Libra Consulting	South Africa	Financial Services	SARS
Salushi	South Africa	HORECA	DoL
Leeu Collection	India	Hotel and Real Estate Development	Dtic / DHA
Advantage Entertainment (on behalf of Netflix)	South Africa / USA	Film	Dtic / DHA
Moonlighting Films (on behalf of Netflix)	South Africa / USA	Film	Dtic / DHA
Film Afrika (on behalf of Netflix)	South Africa / USA	Film	Dtic / DHA
Elements Consulting	UK	Business Services	Dtic / DHA
Skyvilla	South Africa	Hotel and Real Estate Development	DoL
Import Export License (on behalf of Channel Construction)	South Africa	Business Services	SARS
Teraco	South Africa	ICT	CoCT
Sunbird LED	South Africa	Manufacturing	NRCS
Osprea	UK	Manufacturing	DHA
Bel Groupe	France	Agribusiness	SARS
Ruslinguistics	South Africa	Multi Sector	DHA
Luno	South Africa	Financial Services	UKTI

Special projects – District Unit

Purpose

The purpose of the District Unit is to promote the Western Cape districts as business destinations with the aim to create employment and stimulate economic growth.

Strategic objectives

Provide greater economic promotion support to all non-metro municipalities in the Province.

Provide support to district-based businesses and represent the districts as attractive destinations via upstream linkages to Wesgro and its support service offering to businesses.

Performance overview

Priority was placed on two key areas: i) relationship building with municipalities; and ii) developing a district project pipeline since its launch on 25 July 2019. Subsequently, 240 local and district municipal engagements, 120 corporate engagements and 43 provincial government engagements took place during the financial year. The culmination of these activities led to the conclusion of three investment deals, totalling an estimated committed investment value of R661m and 910 direct jobs.

A further 28 new quality investment projects have been recruited into the district unit project pipeline, which the Unit aims to commit in collaboration with the Wesgro Investment Promotion Unit during the remainder of the five-year term.

Strategic objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to recruit and facilitate between R10, 11bn and R14, 71bn in committed investments into the Western Cape, resulting in between 3 705 and 7 691 jobs. The annual outcome target for 2020/21 in attracting committed investments into the province is between R1, 90bn and R2, 77bn and between 678 and 1 452 jobs. The actual achievement for 2020/21 is R4, 37bn in rand value of investments 1 830 jobs attracted in the province. In 2018/19 Wesgro attracted R2, 22bn in rand value of investment into the province and facilitated 752 jobs. In the 2019/20 financial year, the entity attracted R2, 24bn in rand value of investments into the Western Cape and facilitated 1 485 jobs.

Key performance indicators, planned targets and actual achievements

Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Rand value of committed investments in the province	Investment projects realised	Number of investment projects realised	15	18	14-18	17	-	-
No. of jobs facilitated from committed investments into the province								

Strategy to overcome areas of underperformance

The Unit remains committed to building a robust pipeline and expediting facilitation services to ensure that projects are committed within the required period.

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance to targets

Programme	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment Promotion	10 233	6 203	4 030	6 115	5 585	530
Total	10 233	6 203	4 030	6 115	5 585	530

3.3. Programme 3: Export promotion

Purpose

The purpose of this programme is to promote and facilitate the export of goods and services from qualified companies in the Western Cape and to facilitate and support operations and expansion of qualified Western Cape companies to the rest of Africa through investment.

Programme structure

The programme is divided into two sub-programmes:

- Sub-programme 3.1: Export promotion
- Sub-programme 3.2: African expansion (Outward foreign direct investment (OFDI)).

Sub-programme 3.1: Export promotion

Wesgro focusses on companies that have export experience and capacity to supply a demand for goods or services in global markets.

Sub-programme 3.2: African expansion (OFDI)

Wesgro focusses on Western Cape companies that have export or outward investment experience and have the capacity to expand their operations to the rest of the African market.

Strategic objectives

- Promote and facilitate the global exports of goods and services from qualified companies in the Western Cape.
- Facilitate and support operations and expansion of Western Cape companies to the rest of Africa.

Strategic objectives, performance indicators, planned targets and actual achievements

During the financial year under review, the Unit signed a total of 66 business agreements, with an estimated economic value of R4,66bn, resulting in 357 jobs. Through the expedition of facilitation services, the Agency finalised the deals sooner than anticipated.

The table below provides a breakdown of the business agreements signed:

Table 7: Global exports 2020/21					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
1.Cape Honeybush Tea Company	Germany	Agri-processing	10 000 000	2	12 Voortrekker Street, Mosselbay
2.Bergendal Rooibos (Carmien Tea)	Germany	Agri-processing	7 580 620	5	Bergendal Farm, Paleisheuwel Road, Citrusdal, 7340
3.Caffenu	Amsterdam	Agri-processing	5 000 000	3	Unit 14, 15 Dawn Road, Montague
4.Gallo Group (Pty) Ltd	Singapore	Seafood	592 960	0	14 Reservoir Street, Velddrif
5.Signed NDA	Germany	Agri-processing	500 000 000	10	102 Baths Street, Montague
6.Cape Foods (Pty) Ltd	Germany	Agri-processing	150 000 000	8	1 Ruby Boulevard, Montague Park, Montague Gardens
7.Elbeth Gillis Bridal	Germany	Bridal	8 000 000	5	44A Bloem Street, Cape Town
8.Fynbos Fine Foods	Germany	Agri-processing	10 000 000	10	PO Box 74, Malmesbury
9.Rio Largo	USA/Europe/Japan/M. East	Agri-processing	9 500 000	20	Scherpenheuvel Valley, Western Cape
10.Signed NDA	Germany	Agri-processing	71 000 000	0	27 Range Road, Blackheath, Cape Town
11.Signed NDA	Liberia	Agribusiness	8 750 000	0	25 Viridian Street, Burgundy Estate, Cape Town

Table 7: Global exports 2020/21					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
12.Crazy Bond	Guinea	Automotive & General Industry	80 000 000	4	261 Halt Road, Elsies River
13.Good Harvest Market (Pty) Ltd	Guinea	Agri-processing	70 000 000	35	Foyer 3, First Floor Colloseum Building, Century Way, Century City
14.Notashe Projects (Pty) Ltd	Guinea	Agribusiness & Construction	100 000 000	5	14 Bellingham Road, Tableview, Cape Town, 7441
15.Cape Foods (Pty) Ltd	USA	Agri-processing	100 000 000	7	1 Ruby Boulevard, Montague Park, Montague Gardens
16.Buy Africa	Guinea	Agri-processing Equipment	4 500 000	7	21 Door de Kraal Street, Kenridge
17.Funky Ouma Gourmet Food (Pty) Ltd	Germany	Agri-processing	1 500 000	5	Unit 14 C, Lady Blake, Lady Loch Road, Wellington, 7655
18.Fresh Soil Products (Pty) Ltd		Agri-processing	500 000	2	5 Bietout Street, De Bron, Bellville, 7530
19.Cape Honeybush Tea Company	Germany	Agri-processing	8 000 000	0	12 Voortrekker Street, Mosselbay
20.Zwembesi Farm (Pty) Ltd	China	Aquaculture	25 000 000	10	Unit A8, The Salt Orchid, Shannon Street, Salt River
21.Rainmaker (Pty) Ltd	Germany/ Switzerland/ Austria	Tourism	30 000 000	0	113 Loop Street, Cape Town, 8000
22.Anura Vineyards	Russia	Wine	15 000 000	5	Simondium Road, Klapmuts, 7625, Cape Town
23.Bergendal Rooibos (Carmien Tea)	Germany	Agriculture	21 350 615	5	Bergendal Farm, Paleisheuvel Road, Citrusdal
24.Fresh Soil Products (Pty) Ltd	Cameroon	Health & Wellness	300 000 000	1	PO Box 1696, Mosselbay 6500
25.Fresh Soil Products (Pty) Ltd		Health & Wellness	500 000 000	1	PO Box 1696, Mosselbay 6500
26.Funky Ouma		Manufacturing	7 000 000	6	Unit 4c, Lady Blake Industrial, Wellington 7655
27.Robinson & Sinclair	Russia	Agriculture	15 000 000	1	Shop no 2 Graphic Centre, 199 Loop Street, Cape Town 8000
28.Thokozani Wines & Hospitality	Russia	Agriculture	977 655	4	Diemersfontein Estate, R301 JV Riebeeck Weg, Wellington
29. Signed NDA	Saudi Arabia	Agri-processing	1 000 000	2	16 Brenner Street, Tijgerhof, Milnerton, 7441
30.Signed NDA	Poland	Agri-processing	7 820 000	0	Unit B2 Polo Villages Offices, Val de Vie Estate, Paarl

Table 7: Global exports 2020/21					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
31.Black Elephant	Ghana	Agri-processing	300 000	0	40a Uitkyk Street, Franschhoek
32.Croft Sales/Cape Dreams Wine	Russia	Agri-processing	6 000 000	0	PO Box 421, Howard Place, 7450
33.Vondeling Wines	Canada	Agri-processing	907 000	0	Vondeling Farm, Voor Paardeberg Road, Paarl, 7646
34.Robinson and Sinclair	Canada	Agri-processing	500 000	0	199 Loop Street, Cape Town
35.Rascallion Wines Pty Ltd	Canada	Agri-processing	2 800 000	2	3rd Floor, North Wharf, 42 Hans Strijdom Ave, Cape Town
36. Signed NDA	USA	Agri-processing	2 600 000	4	De Meye, Klappmuts
37.Graceland Vineyards	Canada	Agri-processing	3 000 000	5	Stellenrust Road, Stellenbosch
38.Nalitha Fishing Group	Italy/Spain	Agri-processing	100 000 000	50	Jetty no 3, Harbour Road, Hout Bay
39.Herbs-Aplenty (Pty) Ltd	Germany	Agri-processing	2 000 000	5	Goedgegewe Farm, Tesselaarsdal
40. Signed NDA	Poland	Agri-processing	10 000 000	0	205 Main Road, Paarl, 7646
41.Cape Dried Fruit Packers		Agri-processing	430 000 000	20	102 Bath Street, Montagu, 6720
42.Bergendal Rooibos (Carmien Tea)	Germany	Agri-processing	395 262	5	Bergendal Farm, Paleisheuvel Road, Citrusdal
43. Signed NDA	Korea	Agri-processing	2 000 000	0	Klappmuts-Simondium Road, Simondium, Paarl, 7670
44.Afrodest Enterprise Pty Ltd	Kenya	Tourism	60 000 000	2	43 Bridel Close, Kenilworth
45.Surgical Bliss	Kenya	Services	40 000 000	5	10 Vaal Road, Milnerton, 7441
46.Notashe Projects Pty Ltd	Kenya	Creative Industries	50 000 000	5	14 Bellingham Street, Tableview, Cape Town 7441
47. Signed NDA	DRC Congo	Manufacturing	1 500 000 000	10	17 Tekstiel Street, Parow Industria, 7493
48.Karoo Livestock Exports	Malaysia	Agriculture	50 000 000	10	Chandelier, Oudtshoorn PO Box 1794, Oudtshoorn, 6620
49.Karoo Livestock Exports	Qatar	Agriculture	2 000 000	10	Chandelier, Oudtshoorn PO Box 1794, Oudtshoorn, 6620
50.Fruitworks	Poland	Agri-processing	20 000 000	2	124 Main Road, Paarl

Table 7: Global exports 2020/21					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
51.Herbs-Aplenty	Germany	Agri-processing	4 000 000	2	Goedgegewe Farm, Tesselaarsdal, Western Cape
52.Robinson & Sinclair	Russia	Agri-processing	2 000 000	0	No 2, 199 Long Street, Cape Town
53.Strandveld Wines (Pty) Ltd	USA	Agri-processing	3 000 000	3	Die Damme Road, Elim, Cape Agulhas
54. Signed NDA	USA	Agri-processing	85 000 000	10	5 Primrose Avenue, Claremont, Cape Town
55.Anura Vineyards (Pty) Ltd	Russia	Agri-processing	15 000 000	0	Klapmuts, 7625, Simondium Road
56.Perdeberg Wines (Pty) Ltd	Mozambique	Agri-processing	400 000	0	Vryguns Farm, Windmeul, Paarl, 7624
57.Perdeberg Wines (Pty) Ltd	Cameroon	Agri-processing	100 000	0	Vryguns Farm, Windmeul, Paarl, 7624
58.Hermetic Mobility Africa (Pty) Ltd	Kenya	Services	200 000 000	30	105 Main Road, 1st Floor, Paramount Place, Green Point, CT
59.African Equations	London	Agri-processing	94 888	1	2 Blinde Street, Zonnebloem, District Six, Cape Town
60.Cape Honeybush Tea	Seoul	Agri-processing	2 000 000	0	12 Voortrekker Street, Mosselbay
61. Signed NDA	New York	Agri-processing	2 500 000	3	101 Old Paarl Road, Muldersvlei, Stellenbosch
62.Argan Green	Malaysia	Beauty	20 000	2	4 Catalan Close, Brackenfell
63.Skin Creamery	Malaysia	Beauty	2 000 000	2	Unit A3 Westlake Square, 1 Westlake Drive, Westlake, Cape Town
64.The Emerald Room	Malaysia	Skincare	420 000	3	36 Sandown Road, Rondebosch, 7700
65.Buttercup Trading	USA	Beauty	205 803	1	1 – 12th Avenue Melkbosstrand
66.Buttercup Trading	Malaysia	Beauty	814 494	1	1 – 12th Avenue Melkbosstrand
67. Fresh Soil (Pty) Ltd	Seoul	Healthcare	0	1	PO Box 1696, Mosselbay 6500
Total			4 666 629 296	357	

In addition, the Agency committed a total of seven OFDI projects to the value of R727m. The table below provides a breakdown of the declarations signed:

Table 8: Outward foreign direct investments (OFDIs) 2020/21					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
1. Signed NDA	Germany	Agri-processing	7 000 000	0	27 Range Road, Blackheath, Cape Town
2. Rio Largo	USA/Europe/Japan/M. East	Agri-processing	750 000	2	Scherpenheuvel Valley, Western Cape
3. Signed NDA	Ivory Coast	Services	160 000 000	20	221 Smit Street, Claremont, Cape Town
4. Signed NDA	DRC Congo	Manufacturing	200 000 000	300	17 Tekstiel Street, Parow Industria, 7493
5. Notashe Projects Pty Ltd	Kenya	Creative Industries	50 000 000	5	14 Bellingham Street, Tableview, Cape Town 7441
6. Signed NDA	Cameroon	Agri-business & Medical	210 000 000	17	Office 402, Cnr Buitengracht & Riebeek Str, Cape Town, 8012
7. Fresh Soil (Pty) Ltd	Seoul	Healthcare	100 000 000	1	17 Nuturepark, Heiderand, 6505
Total			727 750 000	345	

Wesgro's Export Advancement and Promotion (EAP) training programme had to pivot its offering to virtual solutions due to the COVID-19 pandemic. The EAP focussed on building export competence and capability of companies in the Western Cape. The initiative focussed on export training, local and international mentoring and advisory services to clients facing challenges in market access, expansion and export capability. A significant number of companies expressed interest in the EAP programme. The section below provides a snapshot of the highlights for the financial year under review:

- The EAP programme supported companies by addressing all aspects of the export process through theory and practical methodologies. Modules cover orientation to export, preparing to export and developing an export marketing plan, financial risk management, and export costing and logistics. Seven training sessions were provided during the year under review to both the metro and municipal districts within the province. Three export courses were offered to the companies in the metro, with a total of 70 companies attending. Four export courses were completed in the Winelands, Overberg, West Coast and the Garden Route. A total of 78 companies attended the training.
- Export one-on-one mentorship provided companies with practical guidance to refine their businesses as export ready companies. 15 Exporters based in the Metro and 14 Exporters in the municipalities completed the programme.
- Business Development Mentorship (PUM) is a Dutch mentorship programme for Western Cape companies needing business guidance on process improvement to boost exports. Skills transfer is tailored to the exporter's requirements, which are enhanced by the PUM mentors extensive global experience. Due to COVID, the mentors who usually travel from the Netherlands could not do so. All the interventions were completed virtually, and 27 exporters were able to benefit from this programme.

Strategic objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to recruit and facilitate between R15,34bn and R21,94bn trade agreements, resulting in between 2 840 and 3 716 jobs, and between R1,36bn and R3,09bn in Outward Foreign Direct Investment (OFDI). The annual outcome target for 2020/21 in estimated rand value of trade agreements signed is between R2, 88bn and R4, 13bn, and the number of jobs facilitated is between 535 and 700. The actual achievement for 2020/21 is R4, 66bn in rand value of trade agreements signed and 357 jobs. In 2018/19 Wesgro attracted R4, 975bn in rand value of trade agreements signed and facilitated 921 jobs. In the 2019/20 financial year, the entity attracted R3, 08bn in in rand value of trade agreements signed and facilitated 973 jobs.

In addition, the total five year outcome target for the period 2020/21 to 2024/25 in rand value of Outward Foreign Direct Investment (OFDI) declarations signed is between R1, 36bn and R3, 09bn. The annual outcome target for rand value of OFDI declarations signed is between R257, 5m and R515m. The actual achievement for 2020/21 is R727m. In 2018/19 the entity achieved R381m in OFDI, and in the 2019/20 financial year, the entity achieved R428, 75m in OFDI.

Key performance indicators, planned targets and actual achievements
Sub-programme 3.1: Trade Promotion

Export Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Estimated rand value of trade agreements signed	Trade agreements signed	Number of trade agreements signed	79	37	45-65	66	1	More trade agreements from preceding years were realised in this financial year, therefore.
Number of jobs facilitated from trade agreements signed								

Sub-programme 3.2: African Expansion (OFDI)

Export Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Rand value of Outward Foreign Direct Investment (OFDI) declarations signed	Outward Foreign Direct Investment (OFDI) declarations signed	Number of OFDI declarations signed	9	7	7	7	-	-

Strategy to overcome underperformance

The Unit has implemented the required mitigations to ensure that it is able to meet its target for the number of business agreements signed.

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2020/21			2019/20		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure	Budget (R'000)	Actual expenditure (R'000)	Over-)/ Under-expenditure (R'000)
Trade promotion	15 519	12 442	3 077	8 810	8 547	263
Total	15 519	12 442	3 077	8 810	8 547	263

3.4. Programme 4: Research

Purpose

The purpose of the programme is to provide tourism, export and investment research to inform the Agency's goals and strategy, as well as to provide evidence-based research to augment the Agency's promotion activities.

Strategic objectives

- Develop relevant tourism, export and investment publications.
- Provide customised research and information in support of the core functions of the Agency.

Strategic objectives, performance indicators, planned targets and actual achievements.

The Unit produced a total of 110 publications during the financial year under review.

The table below provides a snapshot of the publications that were produced during the financial year:

Table 9: Publication type	
Bespoke	1
Country	24
Country sector	8
District	6
Investment	5
Regional Report	1
Sector	6
Thought Leadership	6
Tourism	48
Export & Investment	5
Total	110

In addition to this, the Research Unit completed more than 200 ad-hoc research requests in the said financial year, many of which were COVID-19 related and focused.

A total of 15 presentations took place with clients and stakeholders during the financial year.

Strategic objectives

In the 2020/2021 financial year, the entity exceeded its target from 100 research reports developed to 110.

Key performance indicators, planned targets and actual achievements

Wesgro Research								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Number of research reports downloaded and distributed	Research reports produced	Number of research reports developed	105	104	100	110	10	Due to Covid-19 and the lockdown restrictions, more publications were reported to enable units to respond to the new economic environment.

Strategy to overcome underperformance

N/A

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research	4 002	2 586	1 416	4 273	2 793	1 480
Total	4 002	2 586	1 416	4 273	2 793	1 480

3.5. Programme 5: Marketing and communication

Purpose

The purpose of this programme is to conduct marketing and communication for the Wesgro business units, the City of Cape Town and the Western Cape in terms of tourism, export and investment promotion.

Programme structure

The programme is divided into two sub-programmes:

Sub-programme 5.1: Positioning of the Agency and the destination

To improve the position of the Agency and the destination with shareholders, citizens, domestic and international businesses.

Sub-programme 5.2: Management of the reputation of the Agency and the destination

To manage the reputation of the Agency and destination through media opportunities.

Strategic objectives

Improve the position of the Agency and the destination with shareholders, citizens, domestic and international business.

Manage the reputation of the Agency and destination through media opportunities.

Performance overview

Although the financial year has been the most challenging due to the COVID-19 pandemic, the Unit has itself is somewhat resilient and has performed well. A total of 99 strategic corporate events were hosted, including both virtual and hybrid formats. These events allowed Western Cape businesses and the media to understand the opportunities available in the Province. These events spanned tourism, export, investment, film and Air Access, and involved our partners at all levels of government. The Unit generated R121m in AVE, due to the array of marketing initiatives implemented throughout the year. The achievement is also due to the ramping up of digital efforts in a new world of crisis. The Unit also provided marketing support to the InvestSA One Stop Shop and Invest Cape Town as brands in the economic ecosystem.

When COVID-19 first hit, the Unit worked within the CCC (COVID-19 Content Centre) to drive the messaging and distribution of content in terms of CAR (Containment, Adaptation, Recovery). Multiple members were placed directly in the CCC in terms of distribution marketing, legal, and best practice. The Unit completed a successful businesses influencer campaign to drive business stakeholders to supportbusiness.co.za as well as a programmatic Artificial Intelligence (AI) direct marketing campaign. Members of the Unit worked around the clock to support business in navigating the constantly changing Lockdown Regulations, developing and updating more than 250 FAQs on the Regulations that were housed on the website.

During South Africa's hard lockdown, the Unit worked to create the "One Day" tourism campaign to keep Cape Town and the Western Cape front of mind during the pandemic. 'One Day in the Western Cape' is an innovative campaign developed using digital content tools to virtually showcase the province to those in lockdown in South Africa, and around the world, reminding them that one day Cape Town and the Western Cape will be open for them to explore and experience. The monetising digital campaign provided financial support to local tour guides who became virtual guides, using streaming services to conduct tours of the top experiences in the Western Cape, with a SnapScan code available at the end of every tour encouraging viewers to tip the guides. The tours highlight the magic of the province's six regions: Cape West Coast, Cape Overberg, Cape Town, Cape Winelands, Garden Route & Klein Karoo and Cape Karoo. Over 32 tours were secured by further interest from the regions. Furthermore, the Agency launched the One Day Podcast Sleep series, housed on the Wesgro website, Apple podcasts and Spotify. The campaign gained significant media attention, picking up multiple awards, including a silver Loerie, and a gold at the global awards – City Nation Place.

Leading on from the successful 'One Day' tourism campaign, and following the announcement of inter-provincial travel recommencing, the Unit successfully launched the "We're Open, Get That Far Away Feeling" campaign. The creative campaign showcased the Western Cape's wide open spaces, synonymous with popular tourist cities around the globe.

With tourism and hospitality being amongst the hardest hit sectors by the pandemic, the Unit compiled the 'Western Cape Guide to Municipal Innovation and Adaption in a time of COVID-19' with the DMO, drawing on best practices from over 50 cities around the globe that could be replicated in municipalities across the Western Cape. The guide was officially launched via a webinar featuring the Executive Mayor of Stellenbosch, Gesie van Deventer; the Minister of Finance and Economic Opportunities, David Maynier; and Marketing Executive at the V&A Waterfront, Tinyiko Mageza.

Instilling business and investor confidence in the destination remained a top priority for the team. Six sector brochures were developed for the Investor Confidence Campaign, with the Cape Confidence expat video series going live from September on LinkedIn.

The Cape Confidence Campaign is ongoing, and includes strategic collateral aimed at showcasing the capabilities of the province, city and the private sector in overcoming COVID-19 and speaks to opportunities and hope by using the voices of expats.

The Unit funded and assisted with the research, development and promotion of the Cape Export Network as part of Project Good Hope 2 – a digital matchmaking platform for South African wine producers to advertise their product offerings and connect with international importers or buyers of wine. The prohibition of alcohol sales during lockdown coupled with the closure and scaling down of businesses, restaurants and other industries linked to the sale of alcohol, created a need for a digital solution to take South African wines to the world.

The Unit is committed to driving the business narrative and produced a “10 reasons to manufacture in Cape Town and the Western Cape” video aimed at assisting stakeholders, partner governments, investment promotion specialists and the private sector in marketing the Western Cape for investment. This hard-sell AV was also shown at the President’s Investment Summit Western Cape Exhibition, which was organised by the team for stakeholders and partners.

The Unit continued the work of the Investor Confidence Campaign, “Open for Business”, which showcased the proof points of the destination via a novel idea and targeted media buy-in to key investment source markets. Initially paused because of COVID-19, the campaign was re-launched and has achieved significant ROI for the destination, landing over 600 leads to the respective investment promotion teams, resulting in declarations and meetings with investors. Following global best practice, the content crosses borders, is sector-based, retargeting activities and interests, with compelling content and the latest statistics. Collateral included detailed sector brochures across the given priority sectors. The campaign’s priority sectors included BPO, creative industries, agribusiness, maritime manufacturing, electronics manufacturing, real estate and tech.

Going out in three digital bursts, the campaign adopted a smart re-messaging approach, the first being a global remarket to international source markets, the second, a local push to key companies that have shown interest, and the third, a series of sector specialist testimonials retargeted at all groups, that will add the credibility the destination needs to attract business to our city and province. The launch of the campaign earlier in the year, which was a collaboration of three levels of government, was well attended by over 100 people, and received a great amount of media traction – including the Argus, the SABC, China TV, SmileFM, HeartFM, BizCommunity, Tourism Update and Fin24.

The InvestSA One Stop Shop virtual booking platform was developed by the Unit in conjunction with the InvestSA Western Cape team. A first of its kind in South Africa, the site provides the platform for business stakeholders to reach and meet with a range of government entities seamlessly, and in their desired digital method of choice. The task involved gaining physical buy-in from partners housed within the One Stop Shop, creating and testing the web page and booking functionality and subsequently launching a targeted LinkedIn lead generation campaign to drive business stakeholders to site. The work forms part of the intention for the One Stop Shop to create access for those not residing in the city and act as a fully functioning virtual centre for investment facilitation support.

The Unit created the third edition of a magazine called “Pioneers”, profiling multiple tech companies leading the way in innovation in the Province, showcasing the ecosystem, uniting the industry, and positioning the region as “Africa’s tech capital”. In addition, the team officially launched the unified “Tech Capital” destination brand as part of the ‘global positioning’ work at a well-attended event in the city, including members from partner organisations, tech enablers, the Premier of the Western Cape, Alan Winde, and the private sector.

As the world moved into a new phase, the Unit was tasked with developing the international tourism campaign brief, alongside the DMO team. Building on from the ‘We Are Open’ campaign which focused on wide open spaces, the new campaign creative beautifully demonstrates the vast and less crowded spaces waiting to be discovered in the Western Cape – a stark contrast to other popular travel destinations in Europe – by showcasing the beauty of the region and the positive feelings it evokes through the eyes of four ‘Neverending Tourists’.

Members of the Unit also supported industry by clearly communicating information related to the reopening of the country’s borders to international travellers, through the development of easily accessible information. This included ensuring that foreign travellers were aware of Covid-19-related travel restrictions, visa requirements, business-travel requirements, and any pertinent Lockdown requirements.

Prioritising two of the Western Cape’s key travel markets, the ‘Neverending Tourists’ feature included German and Dutch expats who came to the Western Cape on holiday, fell in love with the destination, and never left. Using authentic voices to rally potential visitors, the campaign depicts these neverending tourists exploring the spaces they love most, accompanied by them explaining how living in the Cape makes them feel. The campaign is set to roll-out in the next year, across multiple channels, through strategic in-market PR opportunities, via programmatic, and the industry itself as we begin the work of helping the destination recover.

Additional strategic communications developed by the Unit included the ongoing updating of Brexit information for Western Cape exporters to ensure readiness for the United Kingdom’s departure from the European Union, and entry of the new trade agreement between South Africa (and its neighbouring countries) and the UK. Further, the Unit also developed updated information about the cannabis regulatory landscape aimed at investors in the cannabis industry.

Strategic objectives

The total five year outcome target for the period 2020/21 to 2024/25 in rand value of the advertising value equivalent (AVE) generated for the agency is R398, 1m. The annual outcome target for 2020/21 is R75m. The actual achievement for 2020/21 is R121m. In 2018/19 the entity generated R157, 4m in AVE and in the 2019/20 financial year, the entity generated R58,37m in AVE.

Key performance indicators, planned targets and actual achievements

Marketing and Communication								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Rand value of the advertising value equivalent (AVE) generated for the agency	Corporate events supported	Number of corporate events supported	51	57	25-45	99	54	In response to Covid-19 and the lockdown restrictions, the shift to webinars and virtual formats, allowed for more people to be reached.
	Content management	Quarterly reports evidencing content management of the Agency's collateral	-	-	4	4	-	-

Strategy to overcome underperformance

N/A

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Marketing and Communication	7 851	6 156	1 695	6 156	6 267	- 111
Total	7 851	6 156	1 695	6 156	6 267	- 111

3.6. Programme 6: Destination marketing organisation (DMO)

Purpose

The purpose of the DMO is to promote the Western Cape internationally and domestically to increase the number of visitors. The DMO markets the destination by focussing on business events (through its Convention Bureau team), tourism trade, media, influencers and marketing campaigns and initiatives. By increasing the visitor numbers of leisure and business tourists to the Province, direct, indirect and induced revenue is generated for the Cape.

The outcome indicator measures the estimated economic value of tourism destination marketing initiatives supported within the financial year. The objective to these initiatives is to drive geographic spread, decrease seasonality, job creation and the stimulation of economic growth throughout the province. The Programme also aligns the Provincial Tourism Master Plan and the National Department of Tourism's five-year strategy. The Programme is structured to create demand and awareness of the Western Cape as a tourism destination.

For the 2020/21 financial year, the focus was on strategies to attract domestic and to position the destination. To achieve this, the destination had to evolve its position within the changing needs of the visitors, and this could not be truer in a time of COVID-19. The marketing strategies needed to focus on digital initiatives and positioning the destination for it to stay top of mind when travel was allowed.

Programme structure

It is made up of sub-programmes:

Sub-programme 6.1: Heighten awareness of the Western Cape in key markets and sectors

- Marketing and trade promotions through partnerships in key markets.
- Digital maintenance and content creation for website and social media platforms.
- Business events.
- Stakeholder management and engagements.

Sub-programme 6.2: Improve accessibility to Cape Town and the regions

- Air Access, through the Cape Town Air Access initiative.

InvestSA One Stop Shop (Cape Investor Centre), which forms part of Wesgro's Export and Investment Unit.

Sub-programme 6.3: Enhance the attractiveness of the Cape through a competitive offering

- Sport and Adventure Tourism promotion.
- Culture and Heritage promotion.
- Food and Wine Tourism promotion.
- Cape of Great Events promotion / virtual leisure event support.
- Domestic Tourism promotion.

In growing Business Events, the Unit places emphasis on:

- A well-defined and successful methodology to bidding.
- Creation of demand through promotional activities such as attending trade shows (locally and internationally).
- Leveraging of international association memberships (e.g., BestCities Global Alliance and International Congress and Convention Association).
- Unique programmes and value-added offerings (e.g., Delegate boosting, networking and legacy programme).
- Focussed sector approach and cross-selling with other Wesgro Units (e.g., trade team).

The Leisure Unit places emphasis on:

- The creation of demand through marketing activities not tourism product development.
- The acquisition and generation of data and intelligence.
- Collaboration with various provincial (e.g., regional and local tourism offices), national (e.g. South African Tourism) and international (e.g. UNWTO) organisations.
- Joint marketing opportunities with private sector (e.g., trade and media).

Strategic objective

Enhance the attractiveness, awareness, positioning and accessibility of the region and drive conversion.

Performance overview

Due to Covid-19, the tourism industry took a knock for business and leisure tourists. During the financial year under review, the Leisure Unit supported a total of 15 tourism marketing initiatives, with an estimated economic impact of R487m, 34 leisure events supported both regional and jewel events, some being virtual and 16 Joint Marketing initiatives supported.

Despite the pandemic, the Convention Bureau still recorded an interest in the destination in terms of securing bids. A highlight being securing the 18th World Congress of Neurosurgery 2023. The bid was awarded after an unsuccessful bid during 2015, after which the Society of Neurosurgeons of South Africa led another bid submission through the bureau. Congresses provide the province with a strategic advantage in economic recovery and renewal. A congress of this magnitude will boost the local knowledge economy and address existing gaps in innovation and knowledge with specific reference to the African continent. It is also vital for advocacy and engagement within the neuroscience field. Together with the recently established Neuroscience Institute based at the University of Cape Town, the event will contribute to the outcomes of the institute to find new solutions, develop human capacity and build global partnerships in this field.

Other significant bids secured were the International Joint Conference on Artificial Intelligence (December 2023), International Congress on Child Neurology (June 2024) and the World Veterinary Association Congress (April 2024).

During May 2020, the International Congress and Convention Association (ICCA) released its 2019 destination statistics, placing the province yet again on the leader board for hosting the most international association meetings on the continent for that year.

As the impact and duration of the pandemic are still unknown, the economic impact of tourism marketing initiatives that have since been postponed or cancelled will no longer be delivered. The business events sector has embraced virtual and hybrid events forms until such time that in person meetings can take place successfully.

Leisure tourism

There were fewer events supported and marketing initiatives established in 2020/21 compared to 2019/20. This is due to the global pandemic, as borders were closed to travel and domestic and intra-provincial travel slowed down.

Due to the pandemic, aligned with increased restrictions, it was extremely difficult to achieve the full target. However, with the lifting of restrictions and with the aim to position the destination, the Unit achieved 16 Joint Marketing Agreements for the financial year.

The Leisure Unit's highlights include the 'Dreaming of One Day' campaign. The campaign provided financial support to local tour guides who became virtual guides during the pandemic, where viewers then had the chance to show their appreciation to the guides via Paypal or Snapscan. The 'We Are Open' domestic tourism campaign urged South Africans to take advantage and explore the beauty and diversity of the many affordable and world-class attractions that Cape Town and the Western Cape has to offer. The 'We Are Open' campaign followed the 'One Day' campaign, a collaboration between Wesgro, the Western Cape Government and the City of Cape Town. The campaign encouraged South Africa to explore the wide open spaces of the Western Cape – the Cape West Coast, Cape Overberg, Cape Town, Cape Winelands, Garden Route and Klein Karoo and Cape Karoo – and to do so safely. The 'We Are Open' campaign targeted travellers across the country, particularly in Gauteng, Kwa-Zulu Natal and the Western Cape, who are looking for world-class and affordable travel options in South Africa, directing them to a curated list of experiences on the Discover Western Cape website at wesgro.co.za/travel/home with the narrative 'Get That Far away Feeling'. The campaign also included a "Kids Stay Free" initiative to encourage families to take advantage of the offers for children to stay free at participating travel and accommodation partners across the Western Cape.

The Remote Working campaign targets digital nomads that have the flexibility to stay longer as they can work from anywhere and stay for longer periods within destination.

In addition, the destination received the Global Safety stamp from the World Travel & Tourism Council. The Unit became a Great Wine Capitals Global Network member, with and other leading destinations such as Napa Valley and Bordeaux. As part of their programme, the Western Cape participated in their Best of Wine Tourism Awards. A call for applications went live for wine estates and wine-related experiences to apply to win within seven categories. The Unit also launched the fifth and final cycle route in Prince Albert within the Cape Cycle Route network – the Karoo Crossing.

As part of its commitment to enhance regional spread, the Agency supports events throughout the Province. The event industry is a dynamic and fast-growing sector with obvious synergies lying in the tourism industry. The industry took a knock in 2020/21 due to Covid-19 and the various restrictions in place regarding indoor and outdoor events. A total of 34 events were supported in 2020/21. Most event organisers adapted and with some events taking place virtually.

Strategic objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to market Cape Town and the Western Cape and support tourism destination marketing initiatives with an estimated economic value of R2,65bn and R4,24bn. The annual outcome target for 2020/21 is between R500m and R800m. The actual achievement for 2020/21 is R487m. In 2018/19 the entity achieved a total estimated economic value of tourism and destination marketing initiatives supported of R1,15bn, and in the 2019/20 financial year, the entity achieved R935,63m.

Key performance indicators, planned targets and actual achievements

Destination Marketing Organisation								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Total estimated economic value of tourism destination marketing initiatives supported	Tourism marketing initiatives supported	Number of tourism destination marketing initiatives supported.	34	46	34	15	-19	Unable to achieve the full target due to COVID-19.
	Join marketing agreements secured	Number of Joint Marketing Agreements secured	19	26	25	16	-9	Unable to achieve the full target due to COVID-19.
	Leisure events supported	Number of leisure events supported	51	49	52	34	-19	Due to COVID-19, many events were cancelled, postponed or moved virtually.
	Bids secured	Number of bids secured	30	52	32	15	-17	Fewer bidding opportunities available due to COVID-19.

Strategy to overcome underperformance

N/A

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DMO	45 134	45 499	(366)	19 026	18 982	44
Total	45 134	45 499	(366)	19 026	18 982	44

3.7. Programme 7: Film and media promotion

Purpose

Establish a globally competitive film sector in Cape Town and the Western Cape.

Programme structure

The programme is not divided into sub-programmes.

Strategic objective

Firmly establish a globally competitive film sector.

Performance overview

The Unit signed a total of seven declarations to the value of R612m, resulting in the facilitation of 413 full-time equivalent (FTE) jobs.

The table below provides a breakdown of the declarations signed:

Table 10: Media and film productions realised			
Company	Source country	Value of investment (R'm)	Jobs
Moonlighting	USA and Germany	250m	128 FTE
Advantage Entertainment	USA, UK	173m	19,2 FTE
Interactive Entertainment South Africa (IESA)	USA, France, UK, Germany and other	80m	191 FTE
Seamonster	USA, South Africa and other	27m	37 FTE
South African Association of Still Producers	UK, Germany, USA, France, Sweden, India, Netherlands, Canada, Italy, Poland, Denmark, Belgium, Australia, Spain, Brazil, Norway, Ireland, Switzerland, Nigeria, China	68m	22 FTE
Eye Love Films	Lebanon, Canada	11m	7,2 FTE
Film Initiative Africa	South Africa	3m65	8,2 FTE
Total		R612m	413 FTE

International

The Unit took part in six outbound international missions and assisted companies attending four other international markets (to four of the nine co-production treaty countries, and the USA – the FMP strategy was supporting these nine countries plus BRICS and USA as growth markets).

Wesgro assisted 189 companies in market. The missions were virtual to: Annecy and its Market – MIFA (June 2020) Cannes Marche du Film Market France (June 2020), Toronto International Film Festival (TIFF) Toronto, Canada (September 2020), European Film Market/ Africa Hub at the Berlinale Film Festival, Berlin, Germany (March 2021), Hong Kong Film Mart (March 2021), and South by South West – SXSW, Austin, USA (March 2021). The Unit also assisted 53 companies going to: Venice (August 2020), MIPCOM France Oct 2020, Ottawa Animation Festival Canada (September 2020) and American Film Market (Nov 2020). It also sent FMP marketing collateral (virtual) along with the Export, Investment and Tourism outbound missions as well as out to various other collaborations with trade associations.

National

The team also attended one South African Audio Visual Forum (SAAVF) meeting (virtual only). SAAVF is a national intergovernmental steering group made up of the DTI, IDC, ICASA, SABC, GFC, KZNFC, Wesgro and various metropolises and ECDEVs. Wesgro works with the Departments of Home Affairs and International Relations with regards to driving the ease of doing business across all legislative and policy frameworks that impact the industry, Intellectual Property, Incentives, Visas and the ongoing issues with San Parks (together with DEDAT – Red Tape). Wesgro assisted the National Film and Video Foundation with their South African Film and TV awards judging process and its strategic planning by attending online focus meetings on their research and plans.

Wesgro pivoted to online events and moved the two-day Legal workshop to a highly appreciated set of webinars. Encounters Documentary Film Festival in August/Sept 2020 took place in hybrid form – with some in-person Cape Town and Johannesburg events. There were multiple industry interventions supported by Wesgro. Locally, the FMP team virtually attended the festival and market in Durban (DIFF/DFM), and it was moved to September 2020. The Silwerskerm Film Festival went hybrid in August/September 2020. It included Wesgro panels – one panel on Services (including Covid-19 protocols) and a streamlined Finance Forum event that included

breakaway meetings. There were other nationally significant events with Film industry support, including Wavescape Film Festival November/December 2020, Africa Games Week December 2020 and the successful Garden Route International Film Festival in October (previously known as the Knysna International Film Festival).

Overall, there were 14 Wesgro Film and Media hosted Webinars that had 3 058 attendees. In addition, there were online festivals and markets that Wesgro engaged in, including the Durban Film Mart, Encounters, Silwerskerm and Africa Game Week. The ongoing virtual attendance of these web events bring the attendees even higher.

1	03-Jun	Legal Workshop Part 1
2	04-Jun	Legal Workshop Part 2
3	05-Jun	Annecy Online Festival and Market Upskilling
4	23-Sep	Film Readiness
5	01-Oct	The Importance of Using Film to Promote Your Destination
6	06-Oct	The Impact of COVID-19 on Film & Tourism
7	08-Oct	Meet the SA Film & Media Associations
8	09-Oct	Showcasing Cape Town and Western Cape Locations
9	17-Nov	The Impact of Intimacy Coordination on the Film Industry
10	15-Dec	Info Session on JETS – WEP Co-production forum
11	23-Nov	How to Earn a Professional Designation in the Film Industry
12	08-Dec	Blue Ocean Virtual Masterclass
13	15-Dec	Innovative Technology in the Film and Media Sector
14	18-Mar	Through an African Lens: Why Cape Town and the Western Cape is Emerging as a Film and Tech Powerhouse (SXSW)

Inbound Missions

Overall, there were hybrid inbound missions facilitated with the industry programmes at the festivals and markets with delegates from at least 20 countries: Brazil, Canada, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Kingdom of Saudi Arabia, Lithuania, Netherlands, Nigeria, Uganda, USA, UK, Singapore, Sweden, and Switzerland.

Other Activities

The Unit, in partnership with industry, and partnerships around the inbound missions, gave Exporter Advancement Promotion (EAP) virtual upskilling to over 3 058 companies. There were numerous ad hoc facilitations including visa support, mentoring, COVID-19 lobbying, and strategic B2B networking events. The major B2B, and EAP events aligned with industry festivals Encounters Documentary Film Festival

Overall, there were 189 Western Cape Companies assisted on their Outbound Missions to seven international events: American Film Market – Los Angeles USA, Berlinale European Film Market/ Africa Film Hub, Cannes Marche du Film – France, MIFA in Annecy – France, Toronto International Film Festival – Toronto Canada, Venice Film Festival – Italy, MIPCOM – France, Ottawa Animationa Festival – Hong Kong Film Market and SXSW – Austin USA.

District activities included connecting decision-makers and the Marketing teams and District Units to permit teams in the regions. The FMP Unit accompanies the Wesgro Tourism team on RTO forums, where possible, and presents at the various stakeholder engagements, some in the regions, on how to become more film friendly, how to become more of an attractive film location, and to become a region with a USP to promote. The team also coordinated with other units such as Investment, Export and Tourism Promotion and linked opportunities as they arose, such as the large delegation to SXSW, Hong Kong Film Mart, and Garden Route International Film Festival. Furthermore, Wesgro held online webinars that included input and support from the Tourism and District Units.

Strategic objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to recruit and facilitate between R10,13bn and R17,82bn film and media productions brought into the Province, resulting in between 15 246 FTE jobs and 18 472 FTE jobs. The annual outcome target for 2020/21 is between R1, 85bn and R2, 83bn in rand value of declarations signed and between 2 850 FTE jobs and 3 453 FTE jobs. The actual achievement for 2020/21 is R612m in rand value of film declarations signed and 413 jobs. Due to COVID-19, the 2020/21 financial year was closed for much of the production period. In 2018/19 the entity achieved R2, 38bn in rand value of Film and Media declarations signed and 2 265 jobs. In the 2019/20 financial year, the entity achieved R2, 189bn and facilitated 2 147 jobs.

Film and media promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
Rand value of Film and Media declarations signed	Film and media declarations signed	No. of film and media declarations signed	5	5	7	7	-	-
Number of FTE jobs facilitated by the productions brought to the Province								

Strategy to overcome areas of underperformance

The Unit is committed to building a robust project pipeline to ensure that it is able to meet its targets.

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Film and Media Promotion	3 540	3 194	346	4 300	2 685	1 615
Total	3 540	3 194	346	4 300	2 685	1 615

4. revenue collection

Source of revenue	2020/21			2019/20		
	Budget	Actual expenditure	(Over-) / Under expenditure	Budget	Actual expenditure	(Over-) / Under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Treasury (DEDAT)	93 424	93 424	-	66 371	67 221	- 850
City of Cape Town	12 075	7 900	4 175	14 110	13 360	750
Project Funding	29 613	29 613	-	101 923	101 923	-
Interest	1 000	519	481	812	432	380
Other income	790	586	204	340	284	56
Total	136 902	132 042	4 860	183 163	182 827	336

The Agency received funding from DEDAT, the City of Cape Town and other private funders. For the period under review, DEDAT funded the Agency R47,9m for investment and export promotion activities, R45,4m for destination marketing.

Funding from the City of Cape Town was R10m and out of this total R7,9m was for Wesgro opex and export and investment facilitation, R2,1m for special projects, which included Air Access (R1m), One Stop Shop (R600k), Cruise Cape Town (R800k) and the Cape Health Tech (R200k).

Other project income includes Agribusiness (R2,5m) from Western Cape Department of Agriculture and the Visit Knysna Office (R4,6m) in Knysna Municipality.

Other income was received from the shared service agreement with Atlantis SEZ and interest generated from the Agency's investment in the Corporation of Funds. A total of R519k was received in interest. The reallocation of the interest to deferred income balances was processed during the year.

4.1. Capital investment

N/A









part c

governance

part c: governance

1. introduction

The Western Cape Investment and Trade Promotion Agency (Wesgro) is a Schedule 3C public entity, as defined in the Public Finance Management Act, 1999 (Act 1 of 1999), trading in the Western Cape Province of South Africa.

Wesgro was established by the Western Cape Tourism Trade and Investment Promotion Agency Act, 1996, as amended by the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013).

With effect from 01 April 2012, the Agency became responsible for the destination marketing function of Cape Town Routes Unlimited (CTRU). The Western Cape Tourism Act, 2004 (Act 1 of 2004) was repealed on 28 August 2013, by the Western Cape Investment and Trade Promotion Agency Amendment Act, 2013 (Act 6 of 2013).

The directors of Wesgro support the principles of the King IV™ Report on Corporate Governance for South Africa and will ensure the implementation of the relevant principles where operationally applicable. Responsible corporate citizenship and sound governance practices remain top priorities of the Board, its committees and management.

2. executive authority

The 2021/22 Annual Performance Plan was submitted to the Minister responsible for Finance and Economic Opportunities (the Minister) in February 2021, with no issues raised.

3. the accounting authority / board

Wesgro has a unitary Board with directors appointed by the Provincial Minister responsible for Finance and Economic Opportunities after consultation with the Executive Mayor of the City of Cape Town. The Board consists of a maximum of 15 directors, with 10 independent directors appointed by the Minister, two directors nominated by organised local government (one representing the category B municipalities and the other representing the category C municipalities), and three ex officio members (of which one senior official is nominated by the Minister, one senior official is nominated by the Executive Mayor of the City of Cape Town, and the Chief Executive Officer of Wesgro). The roles and responsibilities of the Board are clearly articulated in the Wesgro Act, 1996.

Board Charter

The Board Charter was reviewed and approved by the Board.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Area of expertise & Qualifications	Other committees or task teams (e.g., Audit Committee / ministerial task team)	No. of meetings attended			
						Board (4)	HR&R (4)	Audit, IT and Risk (4)	Other#
Mr Michael Spicer	Chairperson	08/2014	-	Business	-	4	-	-	29
Prof Brian Figaji	Former Chairperson	08/2014	06/2020	Business	-	1	-	-	6
Mr Ian Bartes	Director	08/2014	-	Business & Marketing	Chairperson of the Audit, IT and Risk Committee	4	-	4	14

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Area of expertise & Qualifications	Other committees or task teams (e.g., Audit Committee / ministerial task team)	No. of meetings attended			
						Board (4)	HR&R (4)	Audit, IT and Risk (4)	Other#
Ms Andrea Böhmert	Director	08/2014	-	Business	Member of the Human Resource and Remuneration Committee	3	3	-	4
Mr Paul Bannister	Director	08/2014	-	Marketing and media	-	4	-	-	11
Ms Ruweida Eksteen	Former Director	06/2019	02/2021	Law, Governance and Business	Member of the Human Resource and Remuneration Committee	2	2	-	5
Mr John Copelyn	Director	06/2019	-	Business and hospitality	Member of the Human Resource and Remuneration Committee	4	3	-	7
Ms Mpumi Dwebe – Kwetana	Director	01/2021	-	Public Sector and economic development	-	-	-	-	-
Mr David Green	Deputy Chairperson	11/2015	-	Business	Member of the Audit, IT and Risk Committee	3	-	5	22
Ald Marius Koen	Director (SALGA Representative)	02/ 2016	-	Public sector and economic development	-	-	-	-	-
Ald (Dr) Helena von Schlicht	Director (SALGA Representative)	02/2017	-	Public sector, economic development and real estate	Member of the Human Resource and Remuneration Committee	1	2	-	-
Mr John van Rooyen	Director	02/2017	-	Tourism, hospitality and business	Member of the Audit, IT and Risk Committee	4	-	5	12
Mr Geoffrey Jacobs	Director	03/2021	-	Business	-	-	-	-	-
Independent committee members									
Mr Paul Slack	Independent committee member	06/2014	-	CA(SA)	Member of Audit, IT and Risk Committee	-	-	4	-
Mr Danny Naidoo	Former Independent committee member	06/2014	03/2021	CA(SA)	Member of Audit, IT and Risk Committee	-	-	4	-

#Other:

Wesgro Board Strategy Session

Wesgro Special Committee Meeting

Wesgro Board Sub-Committee Meeting

CEO's Performance Review

Cape Town Film Studio Evaluation

CMO interviews

Chairperson's Working Group (Review of Annual Performance Plan and Annual Report)

Meetings with CEO

Ex officio Board members

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Other committees or task teams (e.g., Audit Committee / ministerial task team)	No of meetings attended
Mr Solly Fourie	Ex officio (DEDAT)	06/2014	-	Board meetings	4
				Other*	5
Mr Lance Greyling	Ex officio (City of Cape Town)	03/2015	-	Chairperson of the Human Resources and Remuneration Committee	4
				Board meetings	4
				Other*	5
Mr Tim Harris	Ex officio (Wesgro CEO)	06/2014	-	Member of the Audit, IT and Risk Committee	3
				Member of the Human Resources and Remuneration Committee	4
				Board meetings	4
				Other*	51

*Other:

Wesgro Board Strategy Session

Wesgro Special Committee Meetings

CEO's Performance Review

Chairperson's Working Group (Review of Annual Performance Plan and Annual Report)

Meetings with CEO

Committees

Committee	No of meetings held	No of members	Names of members
Audit, IT and Risk Committee	5	5	Mr Ian Bartes
			Mr David Green
			Mr John van Rooyen
			Mr Danny Naidoo
			Mr Paul Slack
Human Resource and Remuneration Committee	4	4	Mr Lance Greyling
			Ms Andrea Böhmert
			Ms Ruweida Eksteen
			Ald (Dr) Helena von Schlicht

Remuneration of Board members

Name	Remuneration (R)	Other allowance (R')	Other reimbursements (R')	Total (R)
Prof Brian Figaji	36 610,00	-	-	36 610,00
Mr Michael Spicer	160 030,00	-	-	160 030,00
Mr Ian Bartes	93 450,00	-	-	93 450,00
Ms Andrea Böhmert	38 880,00	-	-	38 880,00
Mr Paul Bannister	58 320,00	-	-	58 320,00
Mr John Copelyn	54 432,00	-	-	54 432,00
Ms Ruweida Eksteen	34 992,00	-	-	34 992,00
Mr David Green	116 640,00	-	-	116 640,00
Ald. Marius Koen	-	-	-	-
Ald (Dr) Helena von Schlicht	-	-	-	-
Mr John van Rooyen	85 536,00	-	-	85 536,00
Independent committee members				
Mr Paul Slack	15 552,00	-	-	15 552,00
Mr Danny Naidoo	17 780,00	-	-	17 780,00

4. risk management

The Agency endeavours to minimise risk by ensuring that the appropriate infrastructure, personnel, systems and controls are in place throughout the organisation, and that risk management is integrated into management processes. Risk control strategies and policies have been put in place to ensure that all risks are managed in an integrated manner. The Board is accountable for ensuring that the risk management process is in place and integrated into the day-to-day business activities of the Agency. Risk management is addressed through risk categories that include finance, human resources, trade, investment, information and strategic risks. Significant risks that could hinder the achievement of Wesgro's strategic objectives are identified, assessed and prioritised regularly through a risk assessment and accountability framework, and control mechanisms are implemented to manage and monitor these risks.

5. internal control unit

To meet its responsibility with respect to providing reliable financial information, the Agency maintains financial and operational systems of internal control as stipulated in Section 51 (a) (ii) of the PFMA. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately safeguarded against material losses or unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded. Internal auditors monitor the operation of the internal controls and report findings and recommendations to management and the Audit IT and Risk Committee. Corrective actions are taken to address control deficiencies and improve the systems as identified. The Board, through the Audit IT and Risk Committee, provides oversight to the financial reporting processes and internal controls. There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can only provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances. The Agency assessed its internal control systems in operation for the current financial year and we are satisfied with the assurance provided.

6. internal audit, it and risk committee

The Audit, IT and Risk Committee consists of three Board directors and two external non-Board of director members. Mr Ian Bartes is the Chairperson of the Committee and Mr Tim Harris (Wesgro CEO) serves as an ex officio member. The purpose of this committee is to assist management in fulfilling their oversight responsibility for financial management and reporting processes, internal control systems, the audit process, ensuring compliance with laws and regulations, and the management of predetermined objectives.

The table below discloses relevant information on the Audit, IT and Risk Committee members:

Name	Director or external ¹ member	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Mr Ian Bartes	External	-	06/2014	-	4
Mr David Green	External	-	08/2014	-	5
Mr John van Rooyen	External	-	11/2018	-	5
Mr Paul Slack	External	-	06/2014	-	4
Mr Danny Naidoo	External	-	06/2014	03/2021	4

7. compliance with laws and regulations

As a Schedule 3C public entity, the Agency complies with the PFMA. Wesgro also complies with the requirements as set out in the National Treasury Regulations, Provincial Treasury Instructions and Provincial Circulars issued during the financial year. The Agency compiles its financial statements in accordance with GRAP standards and ensures that these standards are updated when required, as prescribed by Provincial Treasury.

8. fraud and corruption

The Agency has an Anti-fraud and Corruption Policy in place, aimed at managing the risk and ensuring the reduction thereof, as well as increasing the level of fraud awareness. In addition, the Agency has implemented a Fraud Prevention Plan, reinforcing existing policies and procedures, emphasising Wesgro's zero-tolerance stance on fraud. The Fraud Prevention Plan is reviewed annually to ensure compliance with relevant legislative and regulatory prescripts and best practice. Various mechanisms were implemented, which allow staff to report cases of fraud and corruption. With the preceding in mind, no fraud or corruption case was reported during the financial year under review.

9. minimising conflict of interest

The Agency conducts monthly compliance reviews of all employees and members of the Board. Monthly compliance reports are submitted to Provincial Treasury for review. In addition, all employees are obliged to complete a declaration of interest on an annual basis. Furthermore, all suppliers of goods/services to the value of over R10 000 are required to submit the relevant compliance documentation, which is reviewed to ensure compliance with the relevant provincial and national regulations pertaining to supply chain management.

10. code of conduct

Directors and employees are required to maintain the highest ethical standards, ensuring that business practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach. The Agency has a Code of Conduct in place, which is presented to employees during the induction process. Directors and staff are required to complete a declaration of interest on an annual basis. However, directors declare their interests at every board meeting. Signed copies of the signed declarations are kept on file by the Board secretariat.

The Board is the custodian of good governance practices and sound business conduct within the organisation. In addition, the CEO promotes an organisational culture that promotes ethical practices, individual integrity, and global citizenship.

11. board secretariat

The role of the secretariat has been acknowledged to encompass, among other functions, the following:

- The secretariat has a key role to play in ensuring that the Board and committee meeting procedures are both followed and reviewed regularly and has the responsibility to ensure that each director is made aware of and provided with guidance as to their duties, responsibilities and powers.
- It is the responsibility of the Board, and in its own best interests, to ensure that the secretariat remains capable of fulfilling its function.
- The secretariat is responsible for ensuring that the applicable rules and regulations pertaining to the conduct of the affairs of the Board are complied with and that all matters associated with its efficient operation are maintained.
- In addition to the statutory duties of the secretariat, it must provide the Board with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Agency.
- The secretariat must keep abreast of and inform the Board of current governance thinking and practice.
- The secretariat is responsible for co-ordinating performance evaluation of the Board of Directors.

12. audit, it and risk committee report

The role of the audit committee is to ensure that the entity functions according to good governance principles, complies with accounting and audit standards and monitors that appropriate risk management arrangements are in place. In addition, the Audit Committee monitors the adequacy and reliability of the financial information provided to all users of such information.

The audit committee continues to assist management in discharging its accountability and responsibilities to safeguard the assets, operate adequate systems and controls and the preparing of annual financial statements by:

- Improving communication and increasing contact, understanding and confidence between management, internal and external auditors
- Increasing accountability by reviewing the performance of internal and external auditors
- Strengthening the objectivity and credibility of financial reporting
- Supporting Internal Audit who is an important assurance provider to the Audit Committee
- Reducing the opportunity for fraud by continually recommending discipline and control improvement

From our review of the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa, the committee noted that there are no unresolved matters relating to operational and compliance controls.

Compliance with our mandate

The Audit Committee reports that it has complied with its responsibilities arising from section 55(1) (a) of the PFMA and Treasury Regulation 3.1.

The requirements of the Treasury Regulations have been complied with in that an audit committee has been appointed in terms of the regulation and functioned effectively for the year under review.

Members of the audit committee are independent and have displayed the requisite skills expected of them as set out in the regulations.

The Audit Committee's terms of reference are reviewed annually and were approved by the board and we have complied with these as appropriate.

Evaluation of the Annual Financial Statements

The Audit Committee concurs and accepts the Auditor-General's opinion regarding the Annual Financial Statements and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

The audit committee has obtained explanations for all findings and regarding the corrected material misstatements in terms of disclosures in the Annual Financial Statements.

Review of accounting policies

The Audit Committee noted that the accounting policies were adequately presented in the annual financial statements.

Review of management report and audit report

Audit Committee has discussed the Management report with the Auditor-General and the Management team and has noted Management's responses.

The committee notes the progress the entity has made during the year in following up previously reported matters.

Internal Control

The Committee deliberated the findings on control weaknesses highlighted by the Auditor-General with management. The Audit Committee has noted that there were no unresolved matters and those that were reported in the management report will be followed up on a quarterly basis to ensure that these are addressed.

The Committee also regularly receives reports on control weaknesses from Internal Audit based on risks identified by management.

The status of implementation on corrective actions is a standing item on the quarterly Audit Committee agenda, and as such the Committee reviews progress on a quarterly basis.

Internal audit function

The Wesgro internal auditor was BDO for the year under review. A procurement process for the internal audit services from 2021/2022 financial year has concluded that Deloitte & Touche be appointed as the new Wesgro auditors.

The Internal audit function reports functionally to the audit committee, and the 3 Year risk based internal audit plan covered the following areas for the 2020/21 financial year:

- Performance management information
- Risk and Compliance Management
- Financial Discipline Review
- Supply Chain Management
- IT Governance and Assurance
- Risk and Compliance Management
- Human Resources and Payroll review

Additions to the Internal audit plan in alignment to emerging risks:

- Review of Financial Statement Disclosure
- Governance review of the process undertaken in the reappointment and remuneration of the Chief Executive Officer of WESGRO

Risk management

The Strategic Risk Register and the Operational Risk Register were maintained. These risk registers, together with actions taken to address or mitigate these risks are also monitored on a quarterly basis by the Audit Committee.

Enhancing the effectiveness of the Audit Committee

The Audit Committee reports quarterly to the board to discuss progress regarding the oversight role of the Audit Committee and to follow up agreed actions.

The Audit committee charter was reviewed to ensure continued effectiveness of the Audit, IT and Risk Committee.

The Audit Committee recognizes the need to promote sound relationships between all the assurance providers, stakeholders and management.

The chair of the Audit Committee has regular engagements with Internal Audit, Auditor-General of South Africa, top management and any other key role players to promote combined assurance.

The Audit Committee exercises oversight over the IT Steering Committee where strategic advisory support is also engaged to ensure operational effectiveness and business continuity.

The committee has also initiated the recruitment of an independent audit committee in order to maintain the independence of the audit committee.

Emerging Risks

The Audit Committee noted the following Emerging Risks and ensured that these risks were included in the risk profile of the entity and considered by the Internal Audit plan:

- Pandemic related risks
- Regulatory risk
- Digital Transformation risks

The recruitment of the CEO is progressing well through an independent recruitment service procured through Supply Chain Management.

SCOPA resolutions

The Audit Committee notes that SCOPA resolutions previously identified have been followed up and monitored during our quarterly review meetings.

Conclusion

The Audit Committee noted the commitment of the Accounting Officer and the executive team to clearly define the source information and method of calculation for achieving the planned performance indicator of the 'number of tourism destination marketing initiatives supported'. Management further committed to continue with the implementation of internal control as the accounting authority determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error.

The Agency is proud to have once again produced an Unqualified Audit Opinion for the 2020/21 financial year.



Ian Bartes

Chairperson of the Audit Committee

Wesgro

30 September 2021

30 September 2021

13. standing committee resolutions

The Agency appeared before the Standing Committee on Public Accounts (SCOPA) to present the Annual Report 2019/20.

14. b-bbee compliance information

Although the entity was B-BBEE compliant in 2019/20, it was unable to maintain compliance for the 2020/21 financial year. The entity has made significant progress towards B-BBEE compliance for the 2021/22 financial year.







part d

human resource management

part d: human resources management

1. introduction

The aim of the human resources sub-programme is to ensure compliance with labour law and that the Agency maintains an excellent, skilled workforce. The Agency's biggest asset lies in its human capital, intellectual property and the knowledge of its people. Maintaining and developing the employees of Wesgro will ensure effective delivery of the Agency's services as well as optimal customer service.

2. human resources oversight statistics

Personnel cost by programme

Programme	Personnel expenditure (R) ²	Personnel exp as a % of total exp	No of employees	Average personnel cost per employee (R)
Convention Bureau	R4 381 647,45	8%	5	R876 329,49
Corporate Services	R10 069 039,96	17%	21	R479 478,09
Executive Management Unit	R7 295 749,04	13%	4	R1 823 937,26
Investment Promotion	R3 753 927,57	7%	11	R341 266,14
Leisure Marketing	R2 659 923,79	5%	3	R886 641,26
Marketing and Communication	R4 197 751,87	7%	12	R349 812,66
Research	R3 033 165,87	5%	9	R337 018,43
Strategic Projects	R14 280 399,85	24%	23	R620 886,95
Export Promotion	R7 961 550,73	14%	12	R663 462,56
Total	R57 633 156,16	100%	100	R576 331,56

Personnel cost by salary band

Level	Personnel expenditure (R) ³	% of personnel exp to total personnel cost (R)	No of employees	Average personnel cost per employee (R)
Top management	R9 449 069	16%	6	R1 574 845
Senior management	R13 849 976	24%	15	R923 331
Professionally qualified	R15 307 631	27%	24	R637 818
Skilled	R15 104 177	26%	37	R408 221
Semiskilled	R3 479 682	6%	15	R231 978
Unskilled	R 442 621	1%	3	R147 540
Total	R57 633 156	100%	100	R576 332

As approved by the Board, performance rewards will not be paid for the 2020/2021 financial year.

Training costs

Programme	Personnel expenditure (R)	Training expenditure	No of employee	Average personnel cost per employee ®	Training expenditure (R)
	(R)	Training expenditure as a % of personnel cost	No of employees trained	Average training cost per employee (R)	R13 392
Convention Bureau					
Corporate services	R10 069 039,96	R17 800	0,2%	3	R5 933
Executive Management Unit	R7 295 749,04	R18 022	0,2%	1	R18 022
Investment promotion	R3 753 927,57	R116 316	3,1%	11	R10 574
Leisure marketing	R2 659 923,79	R0	0%	0	R0
Marketing and communication	R4 197 751,87	R61 236	1,5%	1	R61 236
Research	R3 033 165,87	R74 910	2,5%	10	R7 491
Strategic projects	R14 280 399,85	R50 544	0,4%	3	R16 848
Trade promotion	R7 961 550,73	R164 987	2,1%	12	R13 749
Total	R57 633 156,16	R517 207	0,9%	42	R12 315

Employment and vacancies

Programme	Approved posts 2019/20	No of employees 2019/20	Approved posts 2020/21	No of employees 2019/20	Vacancies 2020/21	% of vacancies
Convention Bureau	10	7	9	5	4	44%
Corporate services	26	23	21	21	0	0%
Executive Management Unit	4	4	4	4	0	0%
Investment promotion	12	9	14	11	3	21%
Leisure marketing	8	6	7	3	4	57%
Marketing and communication	15	12	13	12	1	8%
Research	10	10	10	9	1	1%
Strategic projects	45	45	27	23	4	15%
Export promotion	14	11	12	12	0	0%
Total	144	127	117	100	17	14.5%

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	6	1	1	6
Senior management	10	5	0	15
Professionally qualified	15	2	1	16
Skilled	24	0	2	22
Semiskilled	18	0	3	15
Unskilled	9	0	6	3
Special projects	45	0	22	23
Total	127	8	35	100

Reasons for staff leaving

Reason	Number	% of total no of staff leaving
Death	1	3%
Resignation	6	17%
Dismissal (operational requirements)	1	3%
Retirement	0	-
Ill health	0	-
Expiry of contract	5	14%
Other	22	63%
Total	35	100%

Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	1
Final written warning	0
Dismissal (due to operational requirements)	1

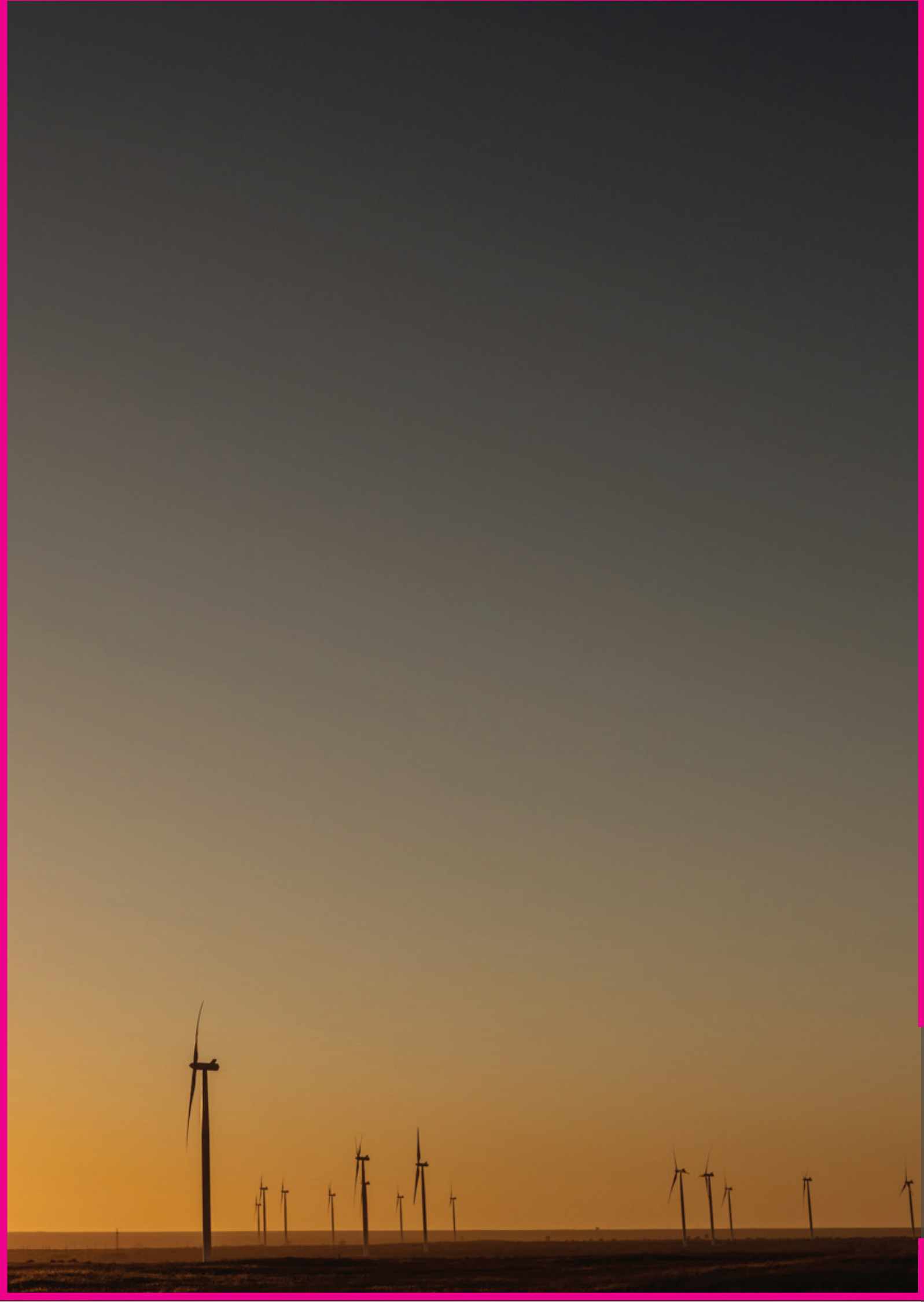
Recruitment targets for employment equity status

Levels	Male								
	Black African		Coloured		Indian		White		Foreign nationals
	Target	Current	Target	Current	Target	Current	Target	Current	
Top management	1	1	0	0	0	0	1	2	0
Senior management	2	2	2	2	2	2	1	1	1
Professionally qualified	3	3	1	1	1	1	5	4	0
Skilled	2	2	8	8	0	0	2	2	0
Semiskilled	1	1	2	2	0	0	0	0	1
Unskilled	0	0	0	0	0	0	0	0	0
Total	9	9	13	13	3	3	9	9	2

Levels	Female								
	Black African		Coloured		Indian		White		Foreign nationals
	Target	Current	Target	Current	Target	Current	Target	Current	
Top management	1	1	1	1	0	0	1	1	0
Senior management	1	0	1	0	0	0	7	7	0
Professionally qualified	1	1	4	4	3	3	6	6	0
Skilled	10	10	13	11	1	2	1	1	0
Semiskilled	6	6	2	2	1	0	2	2	1
Unskilled	1	1	3	3	0	0	0	0	0
Total	20	19	24	21	5	5	17	17	1

During the financial year under review, the Agency sought to employ one disabled person, however, the Agency was unable to meet the set target.







part e

financial information

general information

financial statements

for the year ended 31 March 2021

Country of incorporation and domicile

South Africa

Nature of business and principal activities

The official tourism, trade and investment promotion agency for the Western Cape.

Non executive directors

Ian Bartes
Paul Bannister
David Green
Michael Spicer
Andrea Bohmert
Ald Marius Koen
Ald Helena van Schlicht
John van Rooyen
Mpumi Dweba-Kwetana
Geoffrey Alan Jacobs
Johnny Copelyn

Ex officio members

Tim Harris
Lance Greyling
Solly Fourie

Registered office

18th Floor
South African Reserve Bank Building
60 St George's Mall
Cape Town 8001

Business address

18th Floor
South African Reserve Bank Building
60 St George's Mall
Cape Town 8001

Postal address

PO Box 1678
Cape Town 8000

Bankers

ABSA Bank

Auditors

Auditor – General of South Africa
Registered Auditors

Board secretary

Giselle Naidoo

Telephone

+27 21 487 8600

Email

info@wesgro.co.za

Website

www.wesgro@co.za

Index

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

Index	Page
Board's Responsibilities and Approval	81
Report of the Auditor General	82 – 86
Statement of Financial Position	88
Statement of Financial Performance	89
Statement of Changes in Net Assets	90
Cash Flow Statement	91
Statement of Comparison of Budget and Actual Amounts	92
Accounting Policies	93 – 103
Notes to the Financial Statements	104 – 131
The following supplementary information does not form part of the financial statements and is unaudited:	
Annexure A - Deferred Income	132 – 133

Board's Responsibilities and Approval

for the year ended 31 March 2021

The directors are responsible for the preparation, integrity and fair presentation of the Agency's annual financial statements and supplementary information included in the annual report.

The financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations of such Statements issued by the Accounting Standards Board.

In addition, the financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgments and estimates, that conform in all material aspects, taking into account the nature of the business and in the manner required by the Public Finance Management Act No 1 of 1999 (PFMA) as amended. The directors are of the opinion that the annual financial statements fairly present the financial position of the Agency.

The Office of the Auditor-General is responsible for reporting on these financial statements and has been given unrestricted access to all financial records and transactions and related data which includes minutes of all meetings of the Board of Directors and its committees.

The directors believe that all representations made to the Auditor-General of South Africa during their audit are valid and appropriate. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control. Internal financial and operational controls are described in the corporate governance report.

Going Concern

The directors have taken into account the effects of the Covid-19 global pandemic by embedding the hybrid execution of all the Agency's deliverables. The directors are not aware of any other matters or circumstances arising since the end of the reporting period either than the significant impact of the Covid-19 global pandemic to the operations of the underlying local Tourism, Trade, Investment and Film sectors. The directors are satisfied that the entity has adequate committed financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position to meet its foreseeable financial obligations.

Subsequent Event

The directors are not aware of any matter or circumstances arising since the end of the reporting period other than raised in note 34.

The financial statements as set out on pages 88 to 131 for the period ending 31 March 2021, were approved by the Board of Directors in terms of section 51 (1) (f) of the PFMA and signed on its behalf by:



Michael Spicer
Chairperson



Yaw Peprah
Acting Chief Executive Officer

Report of the auditor-general to Western Cape Provincial Parliament on the Western Cape Tourism, Trade and Investment Promotion Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Tourism, Trade and Investment Promotion Agency set out on pages 88 to 131, which comprise the statement of financial position as at 31 March 2021, 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 notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Tourism, Trade and Investment Promotion Agency as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Investment (Put option)

7. As disclosed in note 9 of the financial statements, a fair value gain of R2,920 million (2020: R1,735 million) was realised during the year on the entity's investment through its put option on shares held in the Cape Town Film Studios (Pty) Ltd, bringing the value of the investment to R29,441 million (2020: R26,521 million) as at 31 March 2021.

Restatement of corresponding figures

8. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2021.

Subsequent events

9. I draw attention to note 35 in the financial statements, which deals with subsequent events and, specifically, the possible effects of the future implications of covid-19 on the entity's future prospects. My opinion is not modified in respect of this matter.

Other matter

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

Unaudited schedules

11. The supplementary information as set out in Annexure A 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 on them.

Responsibilities of the party for the financial statements

12. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 6 – destination marketing organisation (DMO)	49 – 52

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings on the usefulness and reliability of the performance information of the selected programme are as follows:

Programme 6 – destination marketing organisation (DMO)

Number of tourism destination marketing initiatives supported

21. The source information and method of calculation for achieving the planned indicator was not clearly defined.
22. The achievement of 15 was reported against the target of 34 in the annual performance report. However, some supporting evidence provided materially differed from the reported achievement, while in other instances, I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was also unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.

Other matters

23. I draw attention to the matters below.

Achievement of planned targets

24. Refer to the annual performance report on page 61 for information on the achievement of planned targets for the year and management's explanations provided for the under-achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21 to 22 of this report.

Adjustment of material misstatements

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 6 – destination marketing organisation (DMO). As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
27. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

28. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
29. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
30. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report included in this report.
33. Management does not have sufficient and adequate documented and signed standard operating procedures defining what supported means. This resulted in the planned understanding when setting up the indicator and outcome not being reflected in the reported achievement. The technical indicator description was not specific enough to define management's planned intentions for the indicator reported on. As a result, the supporting evidence provided was not sufficient and appropriate for the reported achievement.

Auditor - General -

.....
Cape Town

20 September 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

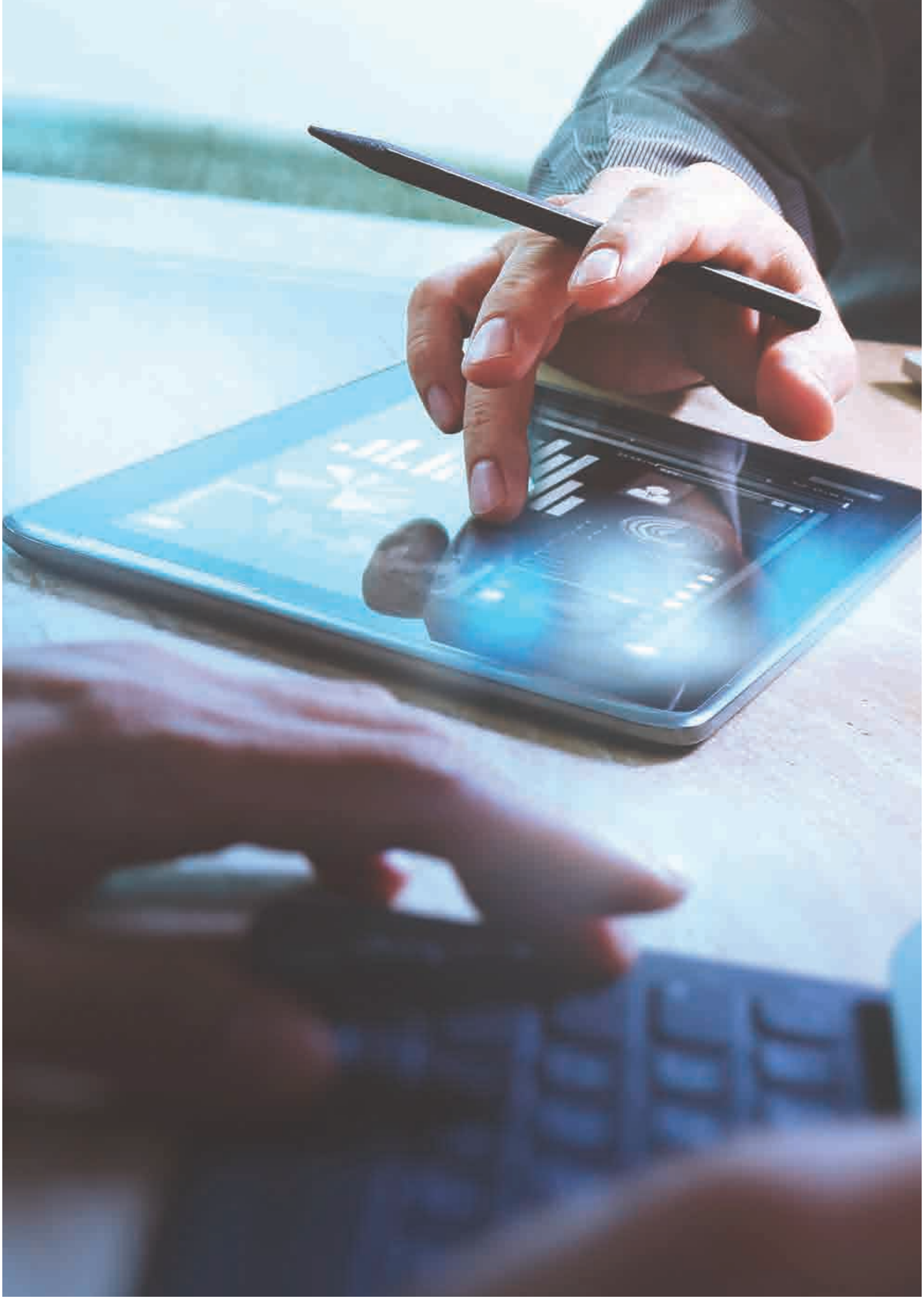
1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Western Cape Tourism, Trade and Investment Promotion Agency to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



statement of financial position

31 March 2021

	Note(s)	2021 R'000	2020 R'000
Assets			
Current Assets			
Trade and other receivables from exchange transactions	3	2 907	61
Trade and other receivables from non-exchange transactions	4	827	104 27
Prepayments	5	1 450	1 239
Cash and cash equivalents	6	86 150	59 152
		91 334	70 879
Non-Current Assets			
Plant and equipment	7	3 499	8 208
Intangible assets	8	80	187
Investments	9	29 441	26 521
		33 020	34 916
Total Assets		124 354	105 795
Liabilities			
Current Liabilities			
Employee benefits	10	2 854	6 447
Trade and other payables	11	5 962	11 205
Operating lease liability	12	874	516
Deferred income	13	41 851	38 823
Income received in advance	14	2 621	2 157
Related party financial liabilities	15	12 711	-
		66 873	59 148
Total Liabilities		66 873	59 148
Net Assets		57 481	46 647
Accumulated surplus		57 481	46 647

statement of financial performance

for the year ended 31 March 2021

	Note(s)	2021 R'000	2020 R'000
Revenue			
Revenue from exchange transactions			
Interest received	16	519	432
Other revenue	17	586	284
Government grants and subsidies	18	14 168	30 064
Gain on disposal of assets/ liabilities	19	-	90
Gain on foreign exchange		51	-
Fair value adjustments	20	2 920	1 735
Total revenue from exchange transactions		18 244	32 605
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	116 769	152 440
Total revenue		135 013	185 045
Expenditure			
Bad debt	3 / 4	25	-
Depreciation and amortisation	7 / 8	2 438	2 916
Finance costs		-	22
Loss on disposal of assets/ liabilities	19	16	-
Employee related costs	21	57 126	60 665
Other operating expenses	22	16 588	52 244
Marketing cost	23	31 502	45 929
Audit fees	24	3 346	2 452
Workshop, seminars and events	25	8 291	11 187
Administrative expenses	26	4 845	5 738
Total expenditure		124 177	181 153
Surplus for the year		10 836	3 892

Refer to note 34 for a reconciliation of the accounting surplus to the actual cash surplus for the year.

statement of changes in net assets

for the year ended 31 March 2021

	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2019	42 755	42 755
Changes in net assets Surplus for the year	3 892	3 892
Total changes	3 892	3 892
Balance at 01 April 2020	46 646	46 646
Changes in net assets Surplus for the year	10 835	10 835
Total changes	10 835	10 835
Balance at 31 March 2021	57 481	57 481

Note(s)

The accumulated surplus includes R 2 919 843 fair value adjustment on the put option held over the Cape Town Film Studio shares valued at R 29 440 866.

cash flow statement

for the year ended 31 March 2021

	Note(s)	2021 R'000	2020 R'000
Cash flows from operating activities			
Receipts			
Cash receipts from funders		181 270	185 838
Interest		519	432
Interest capitalised to deferred income		1 100	2 897
		182 889	189 167
Payments			
Cash paid to suppliers and employees		(155 039)	(17 1327)
Net cash flows from operating activities	27	27 850	17 840
Cash flows from investing activities			
Purchase of plant and equipment	7	(884)	(5 119)
Proceeds from sale of plant and equipment	7	33	148
Purchase of intangible assets	8	-	(152)
Other cash item		-	(3)
Net cash flows from investing activities		(851)	(5 126)
Net increase in cash and cash equivalents		26 998	12 714
Cash and cash equivalents at the beginning of the year		59 152	46 438
Cash and cash equivalents at 31 March 2021	6	86 150	59 152

statement of comparison of budget and actual amounts

for the year ended 31 March 2021

Budget on Cash Basis					
	Approved budget	Budget virement	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R'000	R'000	R'000	R'000	R'000
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Interest received	1 000	(181)	819	519	(300)
Other revenue	790	(309)	481	586	105
Government grant and subsidies	-	-	-	14 168	14 168
Total revenue from exchange transactions	1 790	(490)	1 300	15 273	13 973
Revenue from non-exchange transactions					
Transfer revenue					
Government grant and subsidies	105 499	(4 175)	101 324	80 056	(21 267)
Total revenue	107 289	(4 665)	102 624	95 329	(7 294)
Expenditure					
Employee related costs	(51 628)	3 272	(48 356)	(40 137)	8 219
Other operating expenses	(21 598)	4 015	(17 583)	(10 939)	6 644
Marketingcost	(17 022)	(2 901)	(19 923)	(24 283)	(4 359)
Auditfees	(2 564)	(792)	(3 356)	(3 249)	107
Workshops, seminars and events	(8 463)	(89)	(8 552)	(7 357)	1 195
Administrative expenses	(3 986)	861	(3 125)	(4 552)	(1 427)
Total expenditure	(105 261)	4 366	(100 895)	(90 517)	10 379
Operating surplus	2 028	(299)	1 729	4 812	3 083
Capital expenditure	(2 028)	304	(1 724)	(874)	850
Surplus for the year	-	5	5	3 938	3 933

The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities, part 2 section 53.

Refer note 34 for reconciliation of actual results to adjusted actual's for budget comparison. The budget is compiled on a cash basis.

Refer note for detail relating to material variances on budget adjustments and variances between budget and actual amounts. Material variances are variances greater 1% of total expenditure.

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. All financial information is presented in South African Rand has been rounded to the nearest thousand, unless otherwise indicated.

The following Standards of GRAP were applied in prior years. Accounting policies are consistent with the prior year unless stated otherwise.

GRAP 1: Presentation of Financial Statements
GRAP 2: Cash Flow Statements
GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4: The Effects of Changes in Foreign Exchange Rates
GRAP 5: Borrowing Costs
GRAP 6: Consolidated and Separate Financial Statements
GRAP 7: Investments in Associates
GRAP 8: Investments in Joint Ventures
GRAP 9: Revenue from Exchange Transactions
GRAP 10: Financial Reporting in Hyperinflationary Economics
GRAP 11: Construction Contracts
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events after Reporting Date
GRAP 16: Investment Property
GRAP 17: Property, Plant and Equipment
GRAP 18: Segment Reporting
GRAP 19: Provisions, Contingent Liabilities and Contingent Assets
GRAP 20: Related Parties
GRAP 21: Impairment of non-cash generating assets
GRAP 23: Revenue from non-exchange transactions
GRAP 24: Presentation of budget information
GRAP 25: Employee Benefits
GRAP 26: Impairment of cash – generating assets
GRAP 27: Agriculture
GRAP 31: Intangible assets
GRAP 100: Discontinued operations
GRAP 103: Heritage assets (not applicable)
GRAP 104: Financial Instruments (Revised GRAP 104 is not yet effective)

1.1 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the Agency directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue is measured at fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Agency's activities. Revenue is shown net of returns, rebates and discounts.

The Agency recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Agency and when specific criteria have been met for each of the Agency's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

Other revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied.

- the amount of revenue can be measured reliably
- is probable that the economic benefits or service potential associated with the transaction will flow to the entity

1.1 Revenue from exchange transactions (continued)

- the stage of completion of the transaction at the reporting date can be measured reliably and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Management fee and Indaba income is recognised as revenue when no significant uncertainty as to its collectability exists. It is also recognised on a basis that reflects the timing, nature and value of the benefits provided.

Interest

Revenue arising from the use by others of entity yielding interest or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

1.2 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the Agency received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant

Income received from conditional grants, donations and funding are recognised as revenue to the extent that the Agency has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Governments grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Agency with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Government grants are measured at the fair value of the consideration received or receivable.

1.3 Financial instruments

Financial Instruments include cash and cash equivalents, trade receivables, trade and other payables, fair value investments and put option derivatives. Financial assets within the scope of GRAP 104 are classified as financial assets at fair value, financial assets at cost or financial assets at amortised cost, as appropriate. Financial assets and financial liabilities are initially recognised in the Statement of Financial Position when the Agency becomes party to the contractual provisions of the instrument. When financial assets are recognised initially, they are measured at fair value plus, in the case of a financial asset or financial liability not subsequently measured at fair value, directly attributable transaction costs. The Agency determines the classification of its financial asset on initial recognition.

All regular purchases and sales of financial assets are required on the trade date, which is the date that the Agency commits to purchase the asset. Regular way purchase or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Investments	Financial asset measured at fair value through profit or loss
Trade and other receivables	Financial asset measured at fair value through profit or loss
Cash and cash equivalents	Financial asset measured at amortised cost

1.3 Financial instruments (continued)

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables	Financial liability measured at amortised cost

Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changed in response to the change in a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variance is not specific to a party to the contract
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changed in market factors; and
- It is settled in a future date

The Agency's financial assets classified at fair value consists of a put option (derivative) used to hedge against market price risks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the year are taken directly to the statement of financial performance.

Financial instruments at fair value

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives
- combined instruments that are designated at fair value
- instruments held for trading
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments

Financial instruments at amortised cost

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates at fair value at initial recognition or are held for trading. After initial measurement, the instruments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well through the amortisation process. Trade receivables, cash and cash equivalents and trade and other payables are classified as financial instruments at amortised cost.

Derecognition

A financial asset or portion of a financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Agency retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without any material delay to a third party under a 'pass-through' arrangement; or
- The Agency has transferred its rights to receive cash flows from the asset and either
 - Has transferred substantially all the risks and rewards of the asset; or
 - Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

accounting policies

for the year ended 31 March 2021

1.4 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straightline method, based on the following useful lives:

The cost of an item of plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	6 years
Vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Leasehold improvements	Straight line	Terms of lease
Project assets	Straight line	*Refer below

Cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognised in profit or loss as incurred. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjustment if appropriate, at each financial year end. Any item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised. Useful lives and residual values are assessed annually where applicable.

*Project related assets will be depreciated over the shortest term of either the contract period with the project funder or the useful life stipulated per category of assets as per the accounting policy. Monthly depreciation will be allocated to the project account..

1.5 Intangible assets

Computer software is acquired by Wesgro, which have finite useful lives, and measured at cost less accumulated amortisation and accumulated impairment losses. Useful lives and residual values are assessed annually where applicable.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. Useful lives and residual values are assessed annually where applicable. The estimated useful lives for the current and comparative years are as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	2 years

accounting policies

for the year ended 31 March 2021

1.6 Impairment

Impairment of financial asset

The Agency assesses at each reporting date whether there is any objective evidence that a cash generating asset, non-cash generating asset, or group of financial assets is impaired. A financial asset is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event have an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Cash generating assets are assets which are held with the primary objective of generating a commercial return. Non-cash generating assets are assets other than cash generating assets.

Assets carried at amortised cost

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Agency will not be able to collect all of the amounts due under the original terms of the invoice. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

Fair value investments

For fair value through profit and loss investments, the Agency assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as fair value investments, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost.

Impairment of non-financial assets

The Agency assesses at each reporting date whether there is an indication that an asset or non-current assets held for sale may be impaired. If such indication exists, or when annual impairment testing for an asset is required, the Agency estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset. Where an asset does not generate cash inflows that are largely independent of those from other assets or group of assets the recoverable amount of the cash generating unit is assessed.

Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost costs to sell, an appropriate valuation model is used.

Recognition and measurement

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.

accounting policies

for the year ended 31 March 2021

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.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash and short-term (less than three months), liquid investments that are held with ABSA Bank and the Corporation for Public Deposits that are subject to the institution's interest rates. Cash and cash equivalents are measured at amortised cost.

1.8 Provisions and contingencies

Provisions are recognised when the Agency has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Agency expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. Provisions are discounted when the time value of money is material. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.9 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currency are initially recorded at the functional rate currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the statement of financial position date. All differences are recognised in profit and loss.

1.10 Leases

Finance leases, which transfer to the Agency substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of financial performance.

Where the Agency does not transfer substantially all the risks and benefits of ownership of the asset, they are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

1.11 Tax

Being a provincial public entity as defined in terms of the Public Finance Management Act, 1999, the Agency is exempted from having to pay income tax or declare value added tax.

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for the year ended 31 March 2021

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

The Agency makes contributions to a defined contribution scheme. Contributions are recognised as an expense as the obligation to make them accrues.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The adoption of this standard has not had a material impact on the results of the entity.

1.13 Budget information

Subject to requirements of GRAP 24 paragraph 19, an entity shall present a comparison of budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and the actual amounts shall present separately for each level of legislative oversight:

- The approved and final budget
- The actual amounts on a comparable basis
- An explanation of material differences between budget

Where the budget and the annual financial statements are prepared on a comparable basis, a separate statement is prepared called 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the financial statements adjusted to be comparable. A comparable basis means that the budget and annual financial statements:

- Are prepared using the same basis of accounting
- Include the same activities and entities
- Use the same classification system
- Are prepared for the same period

1.14 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to management. Management allo-

accounting policies

for the year ended 31 March 2021

allocates resources to and assesses the performance of the operating segments of an entity. The Agency operates in the following primary segments:

- Investment and trade promotion
- Destination marketing
- Wesgro support services
- Atlantis SEZ

1.15 Significant adjustments and sources of estimation uncertainty

The preparation of the Wesgro's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Trade and other receivables

The entity assesses its trade receivables and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the agency makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Plant and equipment

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Further details are explained in Note 33.

1.16 Related parties

Related parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Agency, directly or indirectly. Entities falling under its Minister/MEC portfolio, irrespective of whether there were any transactions between the entities are also related parties.

Related party transactions are those where a transfer of resources or obligations between related parties occurs, regardless of whether or not a price is charged.

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

accounting policies

for the year ended 31 March 2021

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.19 Prepayments

Prepayments are amounts paid in advance for goods and services not yet received by the Agency and fall under a more set time period for fulfillment. A prepayment is initially charged to the statement of financial position and the related expense is charged to the statement of financial performance in the accounting period in which it is incurred or utilized.

1.20 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.21 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

accounting policies

for the year ended 31 March 2021

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that it is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.22 Cash reserves

The Agency will only retain cash reserves approved by the Provincial Treasury, adequate for its short-term cash flow requirements, based on its Annual Performance Agreements with its principal funders.

1.23 Comparative figures

Reclassification of comparative figures has been made from non-exchange transactions to exchange transactions where applicable. In our cashflow statement and related disclosures interest and capitalized interest is separately disclosed within our operating activities. The prior period allocation of the impact of the restatement of depreciation on fully depreciated assets currently in use to gain or loss in impairment is not in alignment to the Entity's accounting policy. The re-allocation has resulted in a prior period error as disclosed in note 2.

notes to the annual financial statements (continued)
for the year ended 31 March 2021

2021
R'000

2020
R'000

1.23 Comparative figures (continued)

Furthermore, the change in the estimated useful life of fully depreciated assets still in use is expected to impact future periods. The estimation of the future impact of the change in estimate is impracticable as at year end.

2. Prior period errors and re-classification

The prior period allocation of the impact of the restatement of depreciation on fully depreciated assets currently in use to gain or loss in impairment is not in alignment to the Entity's accounting policy. The reversal of impairment of assets resulting in a prior period error has the following impact on the financial statements:

Statement of Financial Performance

Reversal of Impairment	-	234
Depreciation	-	(234)

Statement of Financial Position

Plant and equipment - Cost	-	(224)
Plant and equipment - Accumulated depreciation	-	224
Intangible assets - Cost	-	(10)
Intangible assets - Accumulated depreciation	-	10

The Service Level agreement entered into with the Knysna Municipality to operate the Knysna Tourism Office valued at R4.4 mil (2020: R3,75 mil) and City of Cape Town valued at R9,75 mil (2020: R 26,31) mil has been reclassified from non-exchange transaction to exchange transactions in the current year. The effect of the reclassification on the prior year comparatives in the statement of financial performance is as indicated below:

Revenue from exchange transactions	-	30 064
Revenue from non-exchange transactions	-	(30 064)

Knysna Municipality and the City of Cape Town project funding's reclassification from non-exchange to exchange transactions resulted in a reclassification from deferred income to income received in advance to comply with GRAP 9:

Income received in advance	-	-	-	(2 157)
Deferred income	-	-	-	2 157

Rental deposit of South African Reserve Bank previously disclosed as Trade and other receivable from exchange transactions to trade receivables from non-exchange transactions:

Trade and other receivables from exchange transactions	-	(827)
Trade receivables from non-exchange transactions	-	827

Interest received, interest capitalised to deferred income and employee related costs have been separately disclosed from cash receipt from funders and cash paid to suppliers and employees. The effect of the reclassification on the individual line items in the cash flow statement is as follows:

Cash receipts from funders	-	(432)
Interest received	-	432
Cash receipts from funders	-	(2 897)
Interest capitalised to deferred income	-	(2 897)
Cash paid to suppliers and employees	-	60 665
Employee related cost	-	(60 665)

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
2. Prior period errors and re-classification (continued)		
Additional notable related transaction previously disclosed as related party transactions listed below:		
Other notable related trade receivables from	-	9 500
non-exchange transactions Related party from non-exchange transactions	-	(9 500)
Other notable related transactions	-	35 703
Related party transactions	-	(35 703)
3. Trade and other receivables from exchange transactions		
Trade debtors	2 826	58
Less: Provision for doubtful debts	-	(33)
Sundry debtors and deposits	81	36
	2 907	61

Trade and other receivables past due but not impaired – March 2021

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Trade debtors from exchange transactions	2 826	-	-	-	2 826

Trade and other receivables past due but not impaired – March 2020

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Trade debtors from exchange transactions	-	-	-	58	58

As of 31 March 2021, trade and other receivables of R 25 420 was deemed irrecoverable and written off as bad debt.

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000			
3. Trade and other receivables from exchange transactions (continued)					
Provision for doubtful debts					
As of 31 March 2021, trade and other receivables of R 0 (2020: R 0) were impaired and provided for:					
Opening balance	33	33			
Movement in provision	(33)				
Bad debts recovered	-	-			
	<u>-</u>	<u>33</u>			
4. Trade and other receivables from non-exchange transactions					
Government grants and subsidies	-	9 600			
Sundry debtors and deposits	827	827			
	<u>827</u>	<u>10 427</u>			
Sundry debtors and deposits					
SARB Rental deposits - Negotiations with SARB are currently in progress to review our rental arrangements as the current space utilization is minimized due to hybrid working environment arising from the compliance to COVID-19 regulations					
Receivables from non-exchange transactions past due but not impaired - March 2020					
	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Government grant and subsidies	8 600	1 000	-	-	9 600
Provision for doubtful debts					
As of 31 March 2021, other receivables from non-exchange transactions of R 0 (2020: R 0) were impaired and provided for					
Opening balance				-	100
Movement in provision					(100)
5. Prepayments					
Administrative expenses				195	95
Operating expenses				975	614
Workshop, seminars and events				280	529
				<u>1 450</u>	<u>1 239</u>
6. Cash and cash equivalents					
Cash and cash equivalents consist of:					
Cash and balances with banks				17 380	26 840
Short-term deposit/investments				68 765	32 307
Cash on hand				5	5
				<u>86 150</u>	<u>59 152</u>

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021			2020		
	R'000			R'000		
7. Plant and equipment						
	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	1 905	(1 518)	388	1 993	(1 469)	525
Vehicles	1 727	(938)	789	1 771	(671)	1 100
Office equipment	661	(489)	171	707	(446)	260
Computer equipment	3 919	(2 462)	1 457	3 278	(2 047)	1 231
Leasehold improvements	2 682	(2 383)	299	2 912	(2 414)	498
Projects furniture and fittings	1 590	(1 521)	70	1 599	(1 121)	479
Projects office equipment	1 266	(1 103)	162	1 260	(788)	471
Projects leasehold improvements	844	(734)	109	3 597	(523)	3 073
Project computer equipment	221	(167)	54	819	(248)	571
Total	14 815	(11 315)	3 499	17 936	(9 727)	8 208

notes to the annual financial statements (continued)
for the year ended 31 March 2021

					2021 R'000	2020 R'000
7. Plant and equipment (continued)						
Reconciliation of plant and equipment - March 2021						
	Opening balance	Additions	Opening cost adjustment	Disposals	Opening accumulated depreciation adjustment	Total
Furniture and fittings	525	-	(257)	-	257	388
Vehicles	1 100	-	(44)	-	44	789
Office equipment	261	-	(46)	-	46	171
Computer equipment	1 231	873	(191)	(36)	191	1 457
Leasehold improve- ments	498	-	(230)	-	230	299
Projects, furniture and fittings	478	-	-	(6)	-	70
Projects, office equipment	472	11	-	(5)	-	162
Projects, leasehold improvements	3 074	-	-	(2 753)	-	109
Projects, computer equipment	571	-	-	(461)	-	54
	8 210	884	(768)	(3 261)	768	3 499

Adjustments include the reversal of depreciation of fully depreciated assets still in use of R 1 103 794. This effectively results in the specific asset change in useful life.

Included in the disposals are ASEZ and SEDIC project assets transferred to ASEZ at net book value of R 3 213 302.

Reconciliation of plant and equipment - March 2020

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	619	27	-	(121)	525
Vehicles	510	844	(58)	(196)	1 100
Office equipment	225	135	-	(100)	260
Computer equipment	1 590	494	-	(853)	1 231
Leasehold improvements	660	248	-	(410)	498
Projects, furniture & fittings	883	-	-	(404)	479
Projects, office equipment	771	14	-	(314)	471
Projects, leasehold improvements	532	2 752	-	(211)	3 073
Projects, computer equipment	165	605	-	(199)	571
	5 955	5 119	(58)	(2 808)	8 208

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021			2020		
	R'000			R'000		
8. Intangible assets						
	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	386	(313)	73	462	(285)	177
Projects, Computer software	29	(22)	7	29	(19)	10
Total	415	(335)	80	491	(304)	187

Reconciliation of intangible assets - March 2021

	Opening balance	Opening cost adjustment	Opening accumulated depreciation adjustments	Amortisation	Total
Computer software	177	(77)	77	(104)	73
Projects, computer software	10	(9)	9	(3)	7
	187	(86)	86	(107)	80

Adjustments include the reversal of depreciation of fully depreciated assets still in use of R 74 494. This effectively results in the specific asset change in useful life.

Reconciliation of intangible assets - March 2020

	Opening balance	Additions	Amortisation	Total
Computer software	134	152	(109)	177
Projects, computer software	7	-	3	10
	141	152	(106)	187

9. Investments		
10% Investment in Cape Town Film Studios (Pty) Ltd (CTFS)	-	1
Fair value gain/(Impairment loss on investment)	-	(1)
Closing balance	-	-
Opening value of Put Option on available for sale investment	26 521	24 786
Fair value gain/(Impairment loss on investment)	2 920	1 735
Closing balance	29 441	26 521
	29 441	26 521

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
9. Investments (continued)		

Due to the current levels of debt in CTFS, the ultimate value of Wesgro's 10% holding in CTFS as per the discounted cashflow method is Rnil.

Available for sale investment

The investment in CTFS represents a 10% holding of the issued ordinary share capital of the company. The fair value of the unquoted ordinary shares has been estimated using both a discounted cashflow model and a net asset value approach. The cash flow model requires management to make certain assumptions relating to the model inputs including credit risk (unsystematic risk) and volatility (Beta). These inputs are used in management estimate of the fair value for the unquoted equity investment.

The investment is required to be impaired should the fair value determined at year-end be lower than that previously recorded. Any impairment shall be recognised in the income statement in the year in which it arises.

Put option on available for sale investment

The Agency has a put option agreement with CTFS, secured by two other shareholders, Videovision Dreamworld (Pty) Ltd and eMedia Investments (Pty) Ltd. The put option has a strike price of R30 million and is exercisable at the discretion of Wesgro should certain conditions, as specified in section 4 of the heads of agreement, be met.

The put option over the shares held in CTFS is classified as a financial asset at fair value through profit and loss. The Black-Scholes valuation model was utilised in determining the fair value of the put option on the investment in CTFS. The put option event occurs 12.5 years after the commencement of construction, being 1 January 2009. It is assumed that should the option be exercised, this would be at the end of the 6 month notice period. The 'event' which is deemed the option to become exercisable did not change from that of the prior year.

The following summarises the inputs used in the Black-Scholes valuation:

Underlying price	R 256	R256
Strike price	R 30 million	R 30 million
Risk free rate	7.52%	9.86%
Dividend yield	0.00%	0.00%
Volatility	51.81%	53.57%
Period (years)	0.25	1.25

The valuation of the put option does not take into account the recoverability of the put option once the conditions to effect said option become exercisable, however management has considered the recoverability of the put option and is satisfied that the put option will be fully recoverable once the conditions to effect the said option become exercisable. As in prior years, the revaluation of the put option represents a movement towards estimated fair value in terms of GRAP valuation methodology for which no monies were received/ (forfeited) for reported gains/(losses).

The applicable timelines in line with the Put Option agreement specifies that once a notice is given, Dreamworld has up until December 2021 to accept and a settlement is done by June 2022 should it be required. The Board has, subsequent to year end, submitted a proposal to extend the Put option for a further five years.

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
10. Employee benefits		

Reconciliation of employee benefits - March 2021

	Opening Balance	Additions	Utilised during the year	Total
Bonus provision	3 067	-	(3 067)	-
Leave pay provision	2 945	4 132	(4 658)	2 419
Occupational injury provision	435	-	-	435
	6 447	4 132	(7 725)	2 854

Reconciliation of employee benefits - March 2020

	Opening Balance	Additions	Utilised during the year	Total
Bonus provision	3 109	3 067	(3 109)	3 067
Leave pay provision	1 721	4 387	(3 163)	2 945
Occupational injury provision	435	-	-	435
	5 265	7 454	(6 272)	6 447

The Compensation for Occupational Injuries and Diseases Act of 1997 provides for and deals with injuries, disablement, disease and death caused by work-related activities. The Agency annually completes the return based on the salary bill. The Department of Labour assesses the return and invoices the Agency. Payment must be made annually before the end of September.

In support of the Treasury response to COVID-19 responsibilities, the Board has resolved not to remunerate performance relating to the current year. The bonus provision is not allocated in the current year

11. Trade and other payables

Trade payables	1 166	263
Accruals	4 796	10 942
	5 962	11 205

Trade payables are non-interest bearing and are normally settled on 30-day terms.

12. Operating lease liability (accrual)

Current

Operating lease liability (smoothing)	874	516
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The operating lease related to premises utilised for office space. The Agency entered into an operating lease with the Reserve Bank of South Africa (SARB) during February 2019. The agreement is for 5 years and has fixed annual escalation. SARB duly appointed Ryden International Property Consultants to manage the leases within the Reserve Bank Tower Block

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
13. Deferred income		
Unspent conditional grants and receipts		
Department of Economic Development & Tourism	8 663	9 039
Department of Trade and Industry	7 968	8 295
Municipalities	3 796	3 423
Multiple funder projects	10 250	1 714
Other projects	11 174	5 187
Atlantis SEZ	-	11 165
	41 851	38 823
Opening balance	38 823	40 813
Add: Current year receipts	39 329	93 263
Less: Amounts transferred to income for the year (Refer note 18)	(25 136)	(95 263)
Less: Transferred to ASEZ loan	(11 165)	-
	41 851	38 823

Included in prior year receipts is R31.4 mil relating to ASEZ and R4,8 mil for SEDIC. The current Transfer Payment agreement with the Department of Economic Development & Tourism (DEDAT) re-allocated the majority of the prior year projects to program spend.

Please refer to Annexure A for a detailed listing of the deferred income balances. Included in the movement of Deferred income is Interest received of R 1 100 423.

14. Income received in advance		
Projects administered by Wesgro		
Opening balance	2 157	954
Add: Current year receipts	4 941	7 872
Less: Amounts transferred to income for the year (Refer note 18)	(4 477)	(6 669)
	2 621	2 157

Knysna Municipality and the City of Cape Town projects funding's reclassification from non-exchange to exchange transactions resulted in a reclassification from deferred income to Income received in advance to comply with GRAP 9.

15. Related party financial liabilities		
At amortised cost		
Transfer from ASEZ - Trade and other receivables	(11)	-
Transfer from ASEZ - Plant and equipment	(2 258)	-
Transfer from ASEZ - Employee benefits	605	-
Transfer from ASEZ - Trade and other payables	590	-
Transfer from ASEZ - Deferred income	11 165	-

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
15. Related party financial liabilities (continued)		
At amortised cost		
Transfer from ASEZ project account	10 091	-
Receipts	29 607	-
Payments	(26 987)	-
Total related party financial liabilities	12 711	-
<p>The ASEZ appointed Wesgro to provide shared administrative support services with effect from 1 April 2020. The services provided by Wesgro under the shared Service Agreement include the provision of IT support services, Human Resource and payroll administration, office rental & related services. The closing balance of the ASEZ project was transferred to a related party liability loan account - DEDAT. The settlement of the liability will be done in line with arrangements contained in the ASEZ transfer payment agreement or directly to DEDAT or Provincial Treasury for re-allocation to ASEZ once ASEZ has been scheduled in the PFMA and are authorized to open and manage their own bank account. The current liabilities estimated at R 3 908 942 relating to ASEZ will be charged against the financial liability at the time of settlement. The related party liability payable - DEDAT is not interest bearing and is recognized at amortized cost.</p>		
16. Interest received		
Interest received	519	432
17. Other revenue		
Sundry income	586	222
DMO Leisure income	-	62
	586	284

Included in sundry income is the revenue generated from the implementation of the ASEZ Shared service agreement to the value of R 530 713.

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
18. Government grant and subsidies		
Operating grants		
Grants (Trade and Investment)	47 925	31 700
Grants (DMO)	45 499	35 521
Project Funding (Refer note 13 & 14)	29 613	101 923
	123 037	169 144
Capital grants		
City of Cape Town	7 900	13 360
	130 937	182 504
Non-exchange and exchange transactions		
Included in above are the following grants and subsidies received:		
Revenue from non-exchange transactions	116 769	152 440
Revenue from exchange transactions	14 168	30 064
	130 937	182 504
19. Gains/(Losses) on disposal of assets/liabilities		
Gains/(Losses) on disposal of assets	(16)	90
20. Fair value adjustments		
Other financial assets		
• Other financial assets (Designated as at fair value through profit and loss)	2 920	1 735

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
21. Employee related costs		
Staff cost	37 913	35 913
Basic salaries	37 876	33 773
Performance bonus	34	2 109
Temporary staff	3	31
	5 170	4 304
Medical aid	562	532
UIF	133	126
Provident fund	4 475	3 646
Project expenses	14 043	15 078
Basic salaries	12 692	13 214
Performance bonus	(165)	763
Temporary staff	6	-
Medical aid	149	141
UIF	64	46
Provident fund	1 296	914
Atlantis SEZ	-	5 370
Basic salaries	-	5 028
Performance bonus	-	206
Medical aid	-	11
UIF	-	14
Provident fund	-	111
Total	57 126	60 665

notes to the annual financial statements (continued)
for the year ended 31 March 2021

				2021 R'000	2020 R'000
21. Employee related costs (continued)					
Executive Management Remuneration	R'000	R'000	R'000	R'000	R'000
	Salary	Performance Awards	Pension Contribution	Total 2021	Total 2020
Chief Executive Officer – Timothy Harris	2 340	167	260	2 767	2 365
Chief Marketing Officer – Monika Luel	68	-	-	68	-
Chief Marketing Officer - Margaret Whitehouse (Resigned)	102	-	15	117	118
Chief Business Development Officer - Yaw Peprah	1 462	80	162	1 704	1 649
Chief Financial Officer – Kholeka Zama	1 153	70	175	1 398	1 403
Chief Research Officer - Cornelis van der Waal (Resigned)	889	48	100	1 037	1 000
Chief Communications Officer - Russel Brueton (Resigned)	-	-	35	35	963
Chief Communications Officer - Judy Lain (Resigned)	-	-	-	-	808
	6 014	365	747	7 126	8 306

The focus on jobs and growth during the financial year resulted in a marginal increase in the number of tourism, communication, trade and investment roles. The remainder of the increase is due to a 6% annual inflationary increase on total cost to company

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
22. Other operating expenses		
Programme expenses	10 220	16 815
Board expenses	94	195
Consultants fees	2 119	2 953
Courier and delivery charges	66	9
Health and safety	134	-
Insurance	237	222
License and software fees	798	743
Maintenance - Machinery and equipment	14	60
Maintenance - Property	58	392
Recruitment cost	3	11
Rentals - Machinery and equipment	271	438
Rentals - Property	5 101	4 910
Staff catering and refreshments	32	167
Telecommunication cost	1 160	1 408
Transport cost	88	111
Travel and subsistence	45	5 196
Atlantis SEZ	-	13 704
Consulting fees	-	12 695
Maintenance - Building	-	66
Maintenance - Machinery & equipment	-	(14)
Rentals - Buildings	-	563
Staff catering and refreshments	-	17
Travel and subsistence	-	376
Project expenses	6 368	21 725
Consulting fees	4 218	14 821
Courier and delivery charges	-	3
Health and safety	4	-
Insurance	10	4
License and software fees	533	620

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
22. Other operating expenses (continued)		
Maintenance - Machinery & equipment	4	3
Maintenance - Property	54	214
Rentals - Machinery and equipment	14	137
Rentals - Property	1 675	1 198
Staff catering and refreshments	33	54
Telecommunication cost	87	87
Transport cost	1	269
Travel and subsistence	(265)	4 315
Total	16 588	52 244
23. Marketing expenses		
Programme expenses	24 476	9 491
Advertising cost	24 268	9 226
Publishing cost	134	153
Site inspections	74	112
Marketing expenses - Atlantis SEZ	-	687
General marketing expenses - Project Expenses	7 026	35 751
	31 502	45 929
24. Audit fees		
External audit fees	2 618	1 691
Internal audit fees	728	761
	3 346	2 452
25. Workshops, Seminars and Events		
Workshops & seminars	7 942	4 208
Workshops & seminars - Atlantis SEZ	-	267
Workshops & seminars - Project Expenses	349	6 712
	8 291	11 187

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
26. Administrative expenses		
Programme expenses	4 028	4 239
Bank charges	82	131
Fees for services - Board members	697	342
Legal fees	104	3
Printing & stationery	54	239
Subscriptions	2 648	3 162
Training and development	443	363
General administrative expenses - Atlantis SEZ	-	409
General administrative expenses - Project Expenses	817	1 089
	4 845	5 738
Non-Executive Directors (Fees for services – Board Members)		
Brian Figaji (Resigned June 2020)	37	52
Ian Bartes	93	48
Paul Bannister	58	31
David Green	117	39
Michael Spicer	160	40
^Andrea Bohmert	39	31
*John van Rooyen	85	31
Palesa Morudu (Resigned December 2019)	-	12
Ruweida Eksteen (Resigned February 2021)	35	12
Judith February (Resigned March 2020)	-	4
Johnny Copelyn	54	12
	678	312

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
26. Administrative expenses (continued)		
Independent Audit Committee (Fees for services – Audit, IT and Risk Committee Members)		
Paul Slack	16	17
*Danny Naidoo (Resigned March 2021)	18	13
	34	30
Ex officio directors		
Lance Greyling	-	-
Solly Fourie	-	-
Tim Harris	-	-
	-	-
Where directors assisted management on adhoc meetings, Wesgro remunerated for the use of their time in line with the rates specified by Treasury.		
^ HR Committee Member - Invoiced the Agency		
* Audit Committee Member - Invoiced the Agency		
27. Cash generated from operations		
Surplus	10836	3892
Adjustments for:		
Depreciation and amortisation	2437	2916
Gains/Losses on disposal of assets/liabilities	16	(90)
Fair value adjustments	(2920)	(1735)
Changes in working capital:		
Trade and other receivables from exchange transactions	(2857)	6381
Other receivables from non-exchange transactions	9600	357
Prepayments	(211)	(4)
Employee benefits	(2989)	1182
Trade and other payables	(4654)	5518
Operating lease liability	358	210
Deferred income	13093	(5841)
*Interest capitalised to deferred income	1100	2897
Income received in advance	464	2157
Related parties receipts – ASEZ	29607	-
Related parties payments – ASEZ	(26030)	-
	27850	17840

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
27. Cash generated from operations (continued)		
Receipts:		
Total revenue	134 494	184 613
Interest	519	432
Gain on disposal of assets	-	(90)
Fair value adjustment	(2 920)	(1 735)
Movement in working capital		
• Trade and other receivables from exchange transactions	(2 857)	6 381
• Other receivables from exchange transactions	9 600	357
• Prepayments	(211)	(4)
• *Deferred income	13 093	(5 841)
• *Interest capitalised to deferred income	1 100	2 897
• Income received advance	464	2 157
• Related parties receipts – ASEZ	29 607	-
	182 889	189 167
Payments:		
Total expenditure	(67 051)	(120 488)
Employee related cost	(57 126)	(60 665)
Depreciation and amortisation	2 437	2 916
Loss on disposal of assets	16	-
Movement in working capital		
• Employee benefits	(2 989)	1 182
• Trade and other payables	(4 654)	5 518
• Operating lease liability	358	210
• Related parties payments – ASEZ	(26 030)	-
	(155 039)	(171 327)

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
28. Contingent Liabilities and Commitments		
Contingent liabilities		
Authorised expenditure	2 401	1 429
Furthermore a contingent liability exists in relation to the retention of the surplus funds for 2020/2021.		
Capital commitments		
Wesgro has the following capital commitment as at 31 March 2021:		
Wesgro Export Portal - African Ideas Corporation		
Minimum payments due		
- within one year	1 198	-
- in second to fifth year inclusive	133	-
	1 331	-
During the year under review, a tender for the appointment of a service provider to develop a WESGRO Export Portal was concluded. African Ideas Corporations (Pty) LTD was appointed as a preferred service provider and R1 330 837 is committed for the development and maintenance of the export portal.		
Operating leases		
Minimum lease payments due		
- within one year	6 127	5 556
- in second to fifth year inclusive	8 670	14 940
	14 797	20 496
Operating lease payments represent rentals payable by the Agency for office premises and other equipment. Leases are negotiated for an average term of 5 years. No contingent rent is payable.		
Cape Town Air Access Route Incentive		
Minimum payments due		
- within one year	-	7 000
- in second to fifth year inclusive	-	7 000
	-	14 000
Cape Town Air Access Route Incentive represents the agreement between American Airlines and the Agency for the North America Route. In line with the addendum signed during the financial year, the parties agreed that should border or other government restrictions linked COVID-19 pandemic continue after 31 December 2020, the parties agree to wholly and entirely terminate the agreement on the 01 January 2021. No further commitments noted for the US Route development.		
	18 530	35 925

notes to the annual financial statements (continued)
for the year ended 31 March 2021

	2021 R'000	2020 R'000
29. Related parties		
This disclosure relates to material related party balances and transactions where a person or entity with the ability to control or exercise significant influence over the other party or is a member of the management of the entity or its controlling entity. All related party transactions were conducted at arm's length and in accordance with the Agency's policy.		
29.1 Related party transactions and balances		
29.1.1 Related party loan liability		
Entity: Department of Economic Development and Tourism (DEDAT)	12 711	-
Nature: Executive Authority and Head of Department ex officio board member		
29.1.2 Related Party Transactions		
Entity: Department of Economic Development and Tourism (DEDAT)	146 224	132 252
Nature: Executive Authority and Head of Department ex officio board member Entity: Department of Economic Development and Tourism (DEDAT)	-	4 330
Nature: Significant influence over the Film project implemented by Wesgro Entity: Department of Economic Development and Tourism (DEDAT)	12 599	10 299
Nature: Significant influence over the Air Access project implemented by Wesgro Entity: Department of Economic Development and Tourism (DEDAT)	-	2 000
Nature: Significant influence over the Cape Health Technology Park project implemented by Wesgro Entity: Department of Economic Development and Tourism (DEDAT)	3 900	4 250
Nature: Significant influence over the Cape Investor Centre project implemented by Wesgro Entity: Atlantis SEZ	531	-
Nature: Joint executive authority and shared service agreement implementation		

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

	2021 R'000	2020 R'000
30 Additional notable related transactions		
30.1 Other notable related trade receivables from non-exchange transactions		
Entity: Department of Trade and Industry (DTI)	-	2 000
Nature: DTI is a controlling entity for Invest SA project operated by Wesgro Entity: City of Cape Town (CoCT)	2 500	7 500
Nature: Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), Joint Executive authority and executive mayor on entity leadership.		
30.2 Other notable related transactions		
Entity: Department of Agriculture (DOA)	2 500	2 500
Nature: Common economic cluster executive authority and DOA is a controlling entity for Agribusiness project implemented by Wesgro	-	2 000
Entity: Department of Trade and Industry (DTI)		
Nature: DTI is a controlling entity for Invest SA project operated by Wesgro Entity: Department of the Premier (DOTP)	5 000	-
Nature: The DOTP is a controlling entity for Economic War Room project implemented by Wesgro	10 000	29 060
Entity: City of Cape Town (CoCT)		
Nature: Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), Joint Executive authority and executive mayor on entity leadership.	1 175	-
Entity: Grabouw Development Agency NPC		
Nature: Significant influence over the Grabouw Development project managed by Wesgro	-	600
Entity: Airports Company South Africa		
Nature: Significant influence over the Air Access project implemented by Wesgro Entity: Cape Town Call Centre Development Association T/A Bpesa	-	218
Nature: Joint funding arrangements with CoCT and sub-lease agreement Entity: Cape Town International Convention Centre	-	15
Nature: Member of the Wesgro management serving on entity board Entity: Cape Town Tourism	-	113
Nature: Joint funding arrangements with CoCT Entity: Sea Harvest Group Limited	379	358
Nature: Member of the Wesgro management serving on entity board Entity: Southern Sun Hotels Interest (Pty) Ltd t/a Tsogo Sun Hotels	-	250
Nature: Member of the management of the entity serving on Wesgro board Entity: The Aurum Institute	162	50
Nature: Member of the Wesgro management serving on entity board Entity: V&A Waterfront Holdings (Pty) Ltd	300	529
Nature: Member of the Wesgro management serving on entity board Entity: Aurum Innova (Pty) Ltd	47	10
Nature: Member of the Wesgro management serving on entity board		
	19 563	35 703

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

31. Retirement benefits

Most employees are members of a defined contribution plan administered by Old Mutual. Both plans are governed by the Pension Funds Act of 1956. Provident fund contributions are made by the Agency only plus administration costs of the fund. In the current financial year total contributions amounted to R 4 474 497 (March 2020: R3 646 022).

32. Risk management

Financial risk management

With the exception of the fair value investment and the related derivative put option, all financial instruments arise directly from operations. Apart from the put option in place at the Cape Town Film Studio (Pty) Ltd investment, the Agency does not enter into any other derivative transactions. The main risks arising from the Agency's financial instruments are cash flow interest rate risk, foreign currency risk, liquidity risk, credit risk and other price risk. The Board of Directors review and implement policies for managing each of these risks which are summarised below.

Figures in Rand

Liquidity risk

All financial liabilities are due to be settled at the carrying amount disclosed, within 30 days after year end. The Agency manages any liquidity risk through ensuring that adequate liquid resources are held in the form of cash to fund on-going operations. In terms of the requirements of the Public Finance Management Act the Agency is not permitted to enter into any other financing arrangements.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument contract, leading to financial loss. Credit risk arises mainly from cash deposits, trade receivables and derivative financial instruments. The Agency trades only with recognised, creditworthy third parties. It is the Agency's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Furthermore the Agency only invests funds with reputable banks as well as the Corporation for Public Deposits. In addition, receivable balances are monitored on an on-going basis with the result that the Agency's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in notes 2, 3 and 5, the put option as disclosed in note 8. There are no significant concentrations of credit risk within the Agency.

Market risk

Interest rate risk

The risk relates to variations in cash flows due to changes in the interest rates on cash and cash equivalents, which will affect interest income.

Interest rate risk sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Agency's surplus for the period:

Sensitivity to changes in interest rates	Investment value R'000	±.50%	±1.0%	Investment value R'000	±.50%	±1.0%
Cash and cash equivalents	68 765	344	687	32 307	162	323

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

32 Risk management (continued)

Price risk

The Agency's investment in Cape Town Film Studio (Pty) Ltd is exposed to market price risk arising from uncertainties about the future value of the investment. The Agency manages the downward price risk through three put option agreements with Cape Town Film Studios (Pty) Ltd and two other shareholders, Videovision Dreamworld (Pty) Ltd and Sabido Investments (Pty) Ltd, which requires them to purchase the Agency's investment at the original purchase price of R30,000,000 should certain conditions/ milestones not be met and Wesgro chooses to exercise these options. At reporting date, the exposure to unlisted investments at fair value was R256 (March 2020: R256).

Discount rate	R'000	R'000	R'000	R'000	R'000
	Base – 7.5%	Low 5.5%	Effect	High – 9.5%	Effect
FV of put option	29 441	29 441		29 441	
Option exercise period	Base –0.25 years	Low	Effect	High - 0,50 year	Effect
FV of put option	29 441	30 000	559	28 892	(548)
Terminal Growth rate	Base -5.62%	Low -5.12%	Effect	High -6.12%	Effect
FV of put option	29 441	29 441	-	29 441	-
Total	Base	Low	Effect	High	Effect
FV of put option	29 441	30 000	559	28 892	(548)

33. Financial instruments disclosure

Financial assets per category

March 2021	R'000 At amortised cost	R'000 At fair value	R'000 Total
Trade and other receivables from exchange transactions	-	2 907	2 907
Receivables from non-exchange transactions	-	827	827
Investments	-	29 441	29 441
Cash and cash equivalents	86 150	-	86 150
	86 150	33 175	119 325

notes to the annual financial statements (continued)
for the year ended 31 March 2021
figures in rand

33. Financial instruments disclosure (continued)

	R'000 At amortised cost	R'000 At fair value	R'000 Total
March 2020			
Trade and other receivables from exchange transactions	-	61	61
Receivables from non-exchange transactions	-	10 427	10 427
Investments	-	26 521	26 521
Cash and cash equivalents	59 152	-	59 152
	59 152	37 009	96 161
Financial liabilities per category			
March 2021		At amortised cost	Total
Trade and other payables		5 963	5 963
March 2020		At amortised cost	Total
Trade and other payables		11 205	11 205

34. Reconciliation of actual results to a comparable basis for budget comparison

	R'000 Actual (accrual basis)	R'000 Adjustments	R'000 Adjusted to comparable basis (cash)	Notes on adjustments
Revenue				
Interest received	519	-	519	
Other revenue	586	-	586	
Gain on foreign exchange	51	(51)	-	
Government grant and subsidies	14 168	-	14 168	
Fair value adjustments	2 920	(2 920)	-	
Revenue from exchange transactions	18 244	(2 971)	15 273	
Government grant and subsidies	116 769	(36 713)	80 056	a
Total Revenue	135 013	(39 684)	95 329	

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

34. Reconciliation of actual results to a comparable basis for budget comparison (continued)

	R'000 Actual (accrual basis)	R'000 Adjustments	R'000 Adjusted to comparable basis (cash)	Notes on adjustments
Expenditure				
Employee related costs	57 126	(16 990)	40 136	b
Depreciation	2 437	(2 437)	-	
Bad debt	25	(25)	-	
Loss on disposal of assets	16	(16)	-	
Other operating expenses	16 588	(5 649)	10 939	c
Marketing cost	31 502	(7 219)	24 283	d
Audit fees	3 346	(97)	3 249	
Workshops, seminars and events	8 291	(934)	7 357	e
Administrative expenses	4 845	(293)	4 552	f
Total Expenditure	24 177	(33 660)	90 517	
Surplus for the year	10 836	(6 618)	4 812	
Capital expenditure	-	-	(874)	g
	10 836	(6 618)	3 938	

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

34. Reconciliation of actual results to a comparable basis for budget comparison (continued)

Net increase / (decrease) in cash and cash equivalents	26 998
Movement in operating activities	(22 209)
Movement in investment activities	(851)
Adjusted actual surplus for the year	3 938
a Government grant and subsidies: The variance is mainly due to the difference between prior year and current year trade receivable and project income and the reclassification of revenue from non-exchange to exchange transaction for the City of Cape Town at year end resulting in a budget revenue mismatch	
b Employee related cost - No performance bonus this year. Salary savings from Investment Promotion, Marketing & Communication and Destination Marketing Organisation departments due to moratorium on the filling of non-critical vacancies due to COVID 19 reprioritization of spend.	
c Other operating expenses - The variance is as a result of the major increase in strategic projects costs and an increase in prepayments in the current year.	
d Marketing cost - Wesgro marketing expenses is in line with the underlying operational plans for Wesgro's promotion of the Western Cape Foreign Direct Investment, Tourism, Film and Exports. Strategic project in line with the underlying promotional project plans implemented in agreement with the project funders. The strategic project marketing costs for the year is not included in this budget as it is charged against deferred income.	
e Workshops, seminars and events - Due to COVID 19 impact, a number of events were canceled and eventually conducted virtually at a reduced cost. This is in line with the Agency Risk Assessments conducted.	
f Administrative expenses - Reduced activity and spend due to implementation of hybrid way of working for the Agency in compliance to the COVID 19 protocols.	
g Computer equipment of R874 191 were acquired during the financial year.	

35. Subsequent events

The directors are not aware of any other matters or circumstances arising since the end of the reporting period either than the following:

- i) Significant impact of the Covid-19 global pandemic to the operations of the underlying local Tourism, Trade, Investment and Film sectors resulting in the CTFS and Wesgro agreeing to extend the Put Option for a further five years. The applicable timelines in line with the Put Option agreement specifies the once a notice is given, Dreamworld has up until December 2021 to accept and if required settle by June 2022.
- ii) The Board has accepted the resignation of the Chief Executive Officer due to professional growth reasons. The Acting CEO has been appointed pending the finalization of the CEO recruitment process currently in progress. Furthermore, the Directors are not aware of any material non-compliance with statutory or regulatory requirements, and further changes to legislation that may affect the Agency.

36. Irregular expenditure

Irregular expenditure for the period ended 31 March 2021 of R 60 500 (March 2020: R0) was identified.

Opening balance	-	-
Add: Irregular expenditure current year	61	-
Less: Amount condoned	-	-
	61	-

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

36. Irregular expenditure (continued)

The supplier of 2000 fabric Face Masks (Film Cape Town-PO26012) for R60 500 incorporating specified artwork and design was obtained from the **CSD database (National Treasury)** under the specified categories in response to the call made specifically in DTIC-Health-Localisation-Input which specified that "The National Treasury in support of the dtic has called on all compliant, particularly local suppliers providing personal protective equipment (PPE) commodities to direct their offers to the

Project Management Office(PMO) setup for this purpose"

The guidelines specified by the DTI is obtained on the recommended guidelines as specified in the Fabric Face Masks **Manufactured by South Africa's** Clothing and Textile Manufacturing Industry for General Public Use issued on the 24 April 2020. Based on the use of the CSD database specified DTIC Health Localisation categories the service providers that listed their services make the required declaration confirming their compliance to the specified guidelines, however the Auditor General has indicated that the regulations indicate that the local content requirement should have been specified on the quotation inquiry.

37. B-BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

38. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was identified for the period ended 31 March 2021 (March 2020: R0).

39. Accounting by principals and agents

The entity is a party to a payment principal-agent arrangement supported by the Transfer Payment Agreement with DE DAT. Parties to this payment arrangement is ASEZ (principal) and WESGRO (agent).

Entity as agent

The registration of ASEZ to be listed as a public entity is still pending. Given this start-up phase and unlisted entity status the ASEZ is unable to obtain a bank account in the name of the ASEZ. In order to receive funding and make any payments, the Wesgro has signed a Shared Services Agreement which incorporates Wesgro effecting payments on behalf of ASEZ. The processing fees charged to ASEZ by Wesgro amount to 1 % of the funds processed.

Fees Received

WESGRO receives 1% of amount received for overhead costs associated with receiving and managing funds on behalf of ASEZ.

40. Segment information

General information

Identification of segments

The entity is organised and reports to stakeholders and management on the basis of four major functional areas: investment and trade promotion, destination marketing, Wesgro support services. The segments were organised around the type of service potential and the agency's mandates. Management uses these same segments for determining strategic objectives.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

Segments were aggregated on the basis of services potential as management considered that the economic characteristics of the segments throughout the agency were sufficiently similar to warrant aggregation.

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

40. Segment information (continued)

Types of goods and/or services by segment

These reportable segments as well as the services for each segment are set out below:

Reportable segment

Investment and Trade Promotion

Destination Marketing

Wesgro Support Services

Atlantis SEZ

Service potential

Attract and return direct and domestic investments and grow exports

Market the Western Cape as a business and leisure tourism destination

Business Support Services

Incubation of Atlantis SEZ in the agency applicable to FYE2020

Segment surplus or deficit

2021

	R'000 Investment and trade promotion	R'000 Destination marketing	R'000 Wesgro support services	R'000 Total
Revenue				
Interest received	-	-	519	519
Other revenue	-	-	586	586
Gain on foreign exchange	-	-	51	51
Fair value adjustment	-	-	2 920	2 920
Government grant and subsidies	47 925	45 499	37 513	130 937
Total segment revenue	47 925	45 499	41 589	135 013
Entity's revenue				135 013
Expenditure				
Employee related cost	11 605	17 424	28 097	57 126
Depreciation	-	10	2 428	2 438
Loss on disposal of assets	-	-	16	16
Bad debt	-	-	25	25
Operating expenses	1 139	1 236	14 212	16 587
Marketing cost	2 687	20 609	8 206	31 502
Audit fees	-	428	2 918	3 346
Workshop, seminars and events	2 644	4 322	1 325	8 291
Administrative expenses	570	859	3 417	4 846
Total segment expenditure	18 645	44 888	60 644	124 177
Total segmental surplus				10 836

notes to the annual financial statements (continued)

for the year ended 31 March 2021

figures in rand

40. Segment information (continued)

2020

Revenue	R'000 Investment and trade promotion	R'000 Destination Marketing	R'000 Wesgro Support Services	R'000 Atlantis SEZ	Total
Interest received	-	-	432	-	432
Other revenue	-	62	222	-	284
Gain on disposal of assets	-	-	90	-	90
Fair value adjustment	-	-	1 735	-	1 735
Government grants and subsidies	31 700	35 521	94 770	20 513	182 504
Total segment revenue	31 700	35 583	97 283	20 513	185 279
Entity's revenue	185 279				
Expenditure					
Employee related cost	10 171	15 581	29 543	5 370	60 665
Depreciation	-	-	2 839	77	2 916
Finance cost	-	-	22	-	22
Operating expenses	3 099	5 245	30 196	13 704	52 244
Marketing cost	116	8 463	36 664	687	45 930
Audit fees	-	1 043	1 409	-	2 452
Workshop, seminars and events	263	2 393	8 264	267	11 187
Administrative expenses	432	1 612	3 284	409	5 737
Total segment expenditure	14 081	34 337	112 221	20 514	181 153
Total segmental surplus	3 892				

ANNEXURE A						
	2020	Tranche allocation	Transfers & receipts	Interest	Expenditure	2021
Deferred income	R'000	R'000	R'000	R'000	R'000	R'000
DEDAT-Department of Economic Development & Tourism	(9 039)	(3 900)	-	(347)	4 623	(8 663)
T&I - Wine Promotion	(105)	-	-	-	105	-
DMO - Bicycle Track	(416)	-	-	(13)	174	(254)
Cape Investor Centre (InvestSA) OPEX	(1 576)	(3 900)	-	(83)	3 442	(2 117)
Halaal Export Project	(3)	-	-	-	(50)	(53)
Data Intelligence	(753)	-	-	(28)	219	(562)
Halal Industrial Park	(444)	-	-	(16)	41	(419)
SEDIC	(3 512)	-	-	(127)	104	(3 535)
Website Update(2019)	(671)	-	-	(26)	-	(697)
Global Tourism Campaign (2019 DEDAT)	(1 560)	-	-	(54)	589	(1 025)
DTI-Department of Trade & Industry	(8 295)	(2 000)	-	(296)	2 622	(7968)
Cape Investor Centre (InvestSA) CAPEX	(4 382)	-	-	(159)	950	(3 591)
CIC:MarketingP-DTi	(3 912)	(2 000)	-	(137)	1 672	(4 377)
Municipalities	(3 423)	(3 540)	-	(28)	3 194	(3 796)
Film Projects	(1 944)	(3 540)	-	(28)	3 194	(2 318)
Saldanha Municipality	(392)	-	-	-	-	(392)
Matzikama Municipality	(531)	-	-	-	-	(531)
George Municipality	(549)	-	-	-	-	(549)
Drakenstein Munisipality	(7)	-	-	-	-	(7)
Multiple Projects	(1 714)	(15 299)	(1 537)	(193)	8 493	(10 250)
Agribusiness Investment Unit	(757)	(2500)	-	(68)	1 340	(1 985)
Air Access (CapeCatalyst)	2 099	(12 599)	(1 500)	(44)	4 366	(7 678)
Science and Technology	(3 056)	(200)	(37)	(81)	2 787	(586)

ANNEXURE A						
	2020	Tranche allocation	Transfers & receipts	Interest	Expenditure	2021
Deffered income	R'000	R'000	R'000	R'000	R'000	R'000
Other projects	(5 187)	(11 375)	(600)	(215)	6 203	(11 174)
Special Operation Project	(857)	-	-	-	541	(316)
Project Good Hope	(6)	(3 200)	-	(9)	1 442	(1 774)
HALAL IBM/African Week	(296)	-	-	(12)	1	(307)
Subvention Funding	(1 442)	-	-	(56)	-	(1 498)
Cradle of Mankind	(17)	-	-	-	-	(17)
District Unit	(1 140)	(2 000)	-	(53)	1 628	(1 565)
Manufacturing (Marketing and Promotion)	(229)	-	-	(3)	218	(14)
Tourism Safety Communication Campaign	(105)	-	-	-	-	(105)
War Room Ops	(700)	(5 000)	-	(77)	2 259	(3 518)
Global Digital Region	(178)	-	-	(6)	114	(70)
African Youth Agripreneur Forum	(216)	-	-	-	-	(216)
Cruise Cape Town	-	-	(600)	-	-	(600)
Grabouw Development Agency (GDA)	-	(1 175)	-	-	-	(1 175)
Atlantis SEZ	(11 165)	-	11 165	-	-	-
Total	(38 821)	(36 114)	9 028	(1079)	25 135	(41 851)
Income received in advance						
Municipalities	(2157)	(4 920)	-	(21)	4 478	(2 621)
Knysna Munisipality	(1403)	(4 620)	-	-	4 368	(1 655)
Cruise Cape Town	(415)	(300)	-	(21)	50	(686)
Invest in Cape Town publication	(85)	-	-	-	63	(22)
Invest in Cape Town Brand	(255)	-	-	-	(3)	(258)
Total	(2 157)	(4 920)	-	(21)	4 478	(2 621)



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