



annual report
2014/15

WESGRO
cape town & western cape
tourism, trade & investment

an inspiring place to do business

contents

part a: general information 4

1.	list of abbreviations/acronyms	5
2.	public entity's general information	7
3.	foreword by the mec	9
4.	foreword by the chairperson	10
5.	chief executive officer's overview	12
6.	statement of responsibility and confirmation of accuracy for the annual report	14
	vision	15
	mission	15
	values	15
7.	strategic overview of the tourism, trade and investment environment	15
8.	legislative and other mandates	18
9.	organisational structure	19
10.	board of directors	20

part b: performance information 24

1.	auditor's report: predetermined objectives	25
2.	situational analysis	25
	2.1. service delivery environment	25
	2.2. organisational environment	26
	2.3. key policy developments and legislative changes	26
	2.4. strategic outcome oriented goals	26
3.	performance information by programme	27
	3.1. programme 1: administration	27
	3.2. programme 2: corporate services	33
	3.3. programme 3: investment	37
	3.4. programme 3: trade	43
	3.5. programme 5: research	51
	3.6. programme 6: marketing & communication	57
	3.7. programme 7: integrated destination marketing	59
	3.8. programme 8: saldanha bay idz	69
4.	revenue collection	73
	4.1 capital investment	73

part c: governance 77

1.	introduction	77
2.	executive authority	77
3.	the accounting authority/board	77
4.	risk management	77
5.	internal control unit	79
6.	internal audit and audit committees	80
7.	code of conduct	80
8.	company/board secretary	81
9.	audit committee report	81
10.	materiality and significance framework	82

part d: human resource management 86

1.	introduction	87
2.	human resource oversight statistics	87

part e: audited financial statements 94



from left to right: thiru naidoo (convention bureau) and aneez abrahams (marketing)

part a: general information

1 list of abbreviations

ABC

ABSA	Amalgamated Bank of South Africa	DMO	Destination Marketing Organisation
ACSA	Airports Company South Africa	DBSA	Development Bank of Southern Africa
ADB	African Development Bank	DEDAT	Department of Economic Development and Tourism
AGM	Annual General Meeting	dti	Department of Trade and Industry
AGSA	Auditor-General of South Africa	DMU	Destination Marketing Unit
AGOA	African Growth and Opportunity Act	DVD	Digital Versatile Disk
AIME	Australian Incentive and Meetings Exhibition	EDP	Exporter Development Programme
AIU	Agribusiness Investment Unit	EIA	Environmental Impact Assessment
AUDITCO	Audit, IT and Risk Committee	EMIA	Export Marketing and Investment Assistance
AVE	Advertising Value Equivalent	EMU	Executive Management Unit
BBBEE	Broad Based Black Economic Empowerment	EU	European Union
BEE	Black Economic Empowerment	EPIC	Economic Performance Indicators for Cape Town
BER	Bureau of Economic Research	FDI	Foreign Direct Investment
BFAP	Bureau for Food and Agricultural Policy	FMCG	Fast Moving Consumer Goods
BPeSA	Business Process enabling South Africa	FTA	Free Trade Agreement
BPO	Business Process Outsourcing	JAMMS	Joint Association Members Meetings
BR&E	Business Retention and Expansion	JMA	Joint Marketing Agreement
BRICS	Brazil, Russia, India, China and South Africa	JHB	Johannesburg
BRS	Business Requirement Specification	GAAP	Generally Accepted Accounting Practice
CA	Chartered Accountant	GHFM	Radio Good Hope FM
CAF	Commission for Africa	GRAP	Generally Recognised Accounting Practices
CAPEX	Capital Expenditure	HICA	Hospitality Investment Conference Africa
CCA	Customs Controlled Area	HR	Human Resources
CCDI	Cape Craft and Design Institute	HR&RC	Human Resources and Remuneration Committee
CEO	Chief Executive Officer	HRD	Human Resource Development
CFO	Chief Financial Officer	ICT	Information and Communication Technology
CMO	Chief Marketing Officer	IDC	Industrial Development Corporation
CGCOC	China to Overseas Construction Group Company Ltd	IDP	Integrated Development Plan
CITI	Cape IT Initiative	IDZ	Industrial Development Zone
CoCT	City of Cape Town	ICCA	International Conference and Convention Association
COO	Chief Operations Officer	IMEX	Exhibition for Incentive Travel, Meetings and Events
CRM	Customer Relationship Management	INES	Integrated National Export Strategy
CTFC	Cape Town Fashion Council	IP	Investment Promotion Unit
CTIA	Cape Town International Airport	IT	Information Technology
CTRU	Cape Town Routes Unlimited	ITI	Investment and Trade Initiative

ITC	International Trade Centre	SEZ	Special Economic Zone
JAMMS	Joint Association Members Meetings	SIAL	China International Food Products & Beverage Exhibition
JV	Joint Venture	SIP	Strategic Infrastructure Plan
KLM	KLM Royal Dutch Airline	SLA	Service Level Agreement
KPI	Key Performance Indicator	SME	Small, Medium Enterprises
LRA	Labour Relations Act	SMME	Small, Medium, Micro Enterprises
LTO	Local Tourism Organisation	SOC	State Owned Company
MBA	Master of Business Administration	SOE	State Owned Enterprises
MCU	Marketing and Communications Unit	SPV	Special Purpose Vehicle
MEC	Member of Executive Council	SSAS	Sector Specific Assistance Scheme
MFMA	Municipal Finance Management Act	SWOT	Strengths Weaknesses Opportunities Threat Analysis
MIPTECH	Ministerial Technical Committee	TAAG	TAAG Angolan Airlines
MOA	Memorandum of Agreement	TAE	Tourism Arts and Entertainment
MOU	Memorandum of Understanding	TIKZN	Trade Investment KwaZulu-Natal
MTB	Mountain Bike	TISA	Trade and Investment South Africa
NEF	National Empowerment Fund	TP	Trade Promotion Unit
NPA	National Ports Authority	TNPA	Transnet National Ports Authority
NRCS	National Regulator	TPT	Transnet Port Terminal
OIM	Outward Investment Mission	UAE	United Arab Emirates
OSM	Outward Selleng Mission	UCT	University of Cape Town
PCMA	Professional Conference Management Association	UK	United Kingdom
PFMA	Public Finance Management Act	UKTI	United Kingdom Trade and Investment
PLMA	Private Label Manufacturers Association	UNESCO	United Nations Educatinal, Scientific and Cultural Organisation
PPP	Public Private Partnerships	UNCTAD	United Nations Conference on Trade & Development
PUM	PUM Netherlands Senior Experts	UNIDO	United Nations Industrial Development Organisation
PwC	PriceWaterhouseCoopers	UNWTO	United Nations World Tourism Organisation
R&D	Research and Development	USA	The United States of America
SA	South African	USB	University of Stellenbosch Business School
SAOGA	South African Oil & Gas Alliance	V&A Waterfront	Victoria & Alfred Waterfront
SAT	South African Tourism	WABNF	West African Business Network Forum
SATSA	South Africa Tourism Services Association	WC	The Western Cape
SARB	South African Reserve Bank	WCADI	Western Cape Abalone Development Initiative
SARS	South African Revenue Service	WCFFI	Western Cape Fine Foods Intiative
SBIDZ	Saldanha Bay Industrial Development Zone	WESGRO	Western Cape Tourism, Trade and Investment Promotion agency
SBM	Saldanha Bay Municipality	WTO	World Trade Organisation
SCM	Supply Chain Management	WTM	World Travel Market
SDA	Sector Development agency	ZAR	South African Rand
SEDA	Small Enterprise Development agency		

2

public entity's general information

Registered Name:	Western Cape Tourism, Trade and Investment Promotion Agency
Registration Number (if applicable):	N/A
Physical Address:	18th Floor South African Reserve Bank Building 60 St George's Mall Cape Town, 8001
Postal Address:	P O Box 1678 Cape Town 8000 South Africa
Telephone Numbers:	+27 21 487 8600 +27 21 487 8631
Fax Number:	+27 21 422 0479
Email Address:	melanie@wesgro.co.za
Website Address:	www.wesgro.co.za
External Auditors:	Auditor-General of South Africa
Banker:	Standard Bank South Africa
Company/Board Secretary:	Melanie Guentel



george, garden route



3

foreword by the mec

Alan Winde

Minister of Economic Opportunities

The Western Cape Government's number one strategic objective is to grow the economy and create jobs. As the Province's destination marketing, trade and investment organisation, Wesgro is a key role player and partner in helping us meet these goals.

Wesgro is also a valuable partner in delivering Project Khulisa, our growth strategy focused on accelerating outcomes in the following key areas of our economy: Tourism, Agri-Processing and Oil & Gas.

During the period under review, Wesgro's Agribusiness Unit committed four new investment projects worth R225 million; an amount which exceeded our target by over 200%.

This is in addition to the Investment Promotion Unit's 16 new investment projects valued at R1.96 billion which added 1 187 direct jobs to our economy.

In a boost for business tourism, Wesgro's Convention Bureau secured 16 conference bids worth R271 million.

To ensure increased market access for local enterprises, Wesgro assisted a total of 770 companies with export advice and support.

We believe that partnerships with the private sector are critical in developing and meeting our objectives.

During the period under review, Wesgro sponsored a range of industry events such as the SATSA conference, JAMMS and SMME hosted breakfasts.

Joint marketing agreements were formed to target key markets, among them campaigns with KLM and iFly magazine, which reached over five million people. An agreement with Qatar Airways saw us reaching 8 million people in our key source and emerging markets.

In the oil and gas sector, the Saldanha Bay Industrial Development Zone Board and board committees were constituted and are well-placed to oversee the project.

To date, six right of first refusal agreements have been signed with both international and national companies, proving that there is significant interest in our offering.

To ensure collaboration with local businesses, the Business Forum Charter was signed with various Saldanha Bay business forums in November 2014.

It is important that our residents are able to take advantage of the opportunities presented by the IDZ. To this end, awareness initiatives on skills development and procurement opportunities were facilitated in Saldanha Bay.

2014 was a successful year for Wesgro and I would like to thank its management and staff for their efforts throughout the year. Going forward, I am looking forward to strengthening our partnership. Better together, we can build on these successes to shape the future economy of the Western Cape.

Alan Winde

Minister of Economic Opportunities

Western Cape Government

29 May 2015



4

foreword by the chairperson

Brian Figaji
Chairman of the Board

The past financial year has once again realised fragile global economic conditions, making it that much harder to attract foreign direct investment in South Africa and the Western Cape. Nonetheless, Wesgro has remained committed to the cause, raising our game to new heights in order to promote the Province as an inspiring place to visit and do business.

The declining trend in FDI and strong competition among recipient markets, particularly those in emerging markets and Africa, has created a challenge for FDI in South Africa and the Western Cape in terms of competing for a limited pool of investment. Investors have remained cautious of FDI and at the same time are being actively encouraged to invest in those markets that are able to provide large financial incentives and a stable business environment.

FDI levels exceeded R10 trillion in 2014, which is a positive indication that investors may have regained not only their confidence but also their ability to invest. However, the challenge still lies in attracting investment if one considers that the top five destination markets attract almost half of all projects, with the United States being the largest recipient. The business of investment promotion has evolved into a complex system of levers which has to be calibrated to attract investment.

The business climate in the Western Cape – along with its strong and growing services sector, highly developed infrastructure and talented labour force – remains conducive to attracting investment, with the number of projects that have remained stable over the past five years. However, much work remains to be done as South Africa and the Western Cape did not receive the increases in investment value experienced in other markets during 2014.

Africa is currently the buzz word around the globe and in 2015 economic growth in Africa is expected to exceed that of emerging market and developing economies to reach 5.2%. With South Africa and the Western Cape's strong trade and investment linkages with the African region, it is expected that companies would begin to see strong returns on their activities in those markets. Foreign direct investment in the Western Cape has been driven by companies seeking to take advantage of its geographic proximity to the rest of Africa. Many companies other than those companies wishing to take advantage of the local market opportunities have cited access into Africa and an intention to reach the African market from the Western Cape as the primary reasons for investing in the Province. To this end companies in transportation and logistics, business services and, to some extent manufacturing, are positioning themselves in the Western Cape with a view to facilitate entry into Africa. In doing so, they also serve as a stimulus for local economic activity. These spin-off effects should not be undermined as they can add immense value to the local economy.

I am particularly excited about the development of our new 5-year strategy, which comes at an opportune time for the agency and is in line with the Western Cape Government's planning cycle, and the timing of Tim Harris' appointment as the new CEO of Wesgro. On behalf of the board, I wish Tim all the best and welcome him to the agency.

Wesgro's goals over the next five years will include: marketing the Province as a tourism destination to increase international and domestic tourist arrivals, growing foreign arrivals to 2 million visitors and domestic travel to 3 million over the next five years; to recruit and facilitate between R5.9 and R11.2 billion in domestic and foreign direct investments in the Western Cape; to support the trade and export promotion for 3 250 qualified Western Cape exports, to improve the opportunity for employment creation and investment, and to build a strong regional economic brand that makes Cape Town and the Western Cape an inspiring place to do business.

I would like to take this opportunity to thank the outgoing CEO, Nils Flaatten, for his key role at the helm of Wesgro and in the Province. Under his guidance over the past four years, Wesgro brought R6.6 billion in foreign direct investment to the Western Cape, resulting in the creation of 4 415 jobs across the Province. The agency also secured a total of 62 conference bids with an estimated economic value of R943 million and an influx of 75 000 delegates over the past three years. In addition, Wesgro has also reported consecutive clean audits from the Auditor General.

It is indeed an honour and a privilege for me to present to you the Wesgro 2014/15 annual report. I am proud to share with you this document, which summarises the wonderful work done by our various units throughout our agency.

The good work which we do would not be possible without working hand in hand with our stakeholders from the Province and the City. I would especially like to thank Premier Helen Zille, Executive Mayor Patricia de Lille and MEC Alan Winde for their never-ending support. To our National Government partners as well as the local, African and international business community, thank you for your continued support. We look forward to working even closer with you all as we work towards achieving our goals as stipulated in our 5-year strategy.

Last but not most definitely not least, on behalf of the Board of Directors, I would like to extend my sincere appreciation to the Wesgro management and staff. Your tireless work and your passion to enhance Cape Town and the Western Cape as an inspiring place to do business has been commendable. I salute each and every one of you for your efforts.

A handwritten signature in black ink, reading "Figaji". The signature is written in a cursive, flowing style with a large initial 'F'.

Brian Figaji
Chairperson
Wesgro
29 May 2015



5

chief executive officer's overview

Tim Harris
Chief Executive Officer

Wesgro was led through most of 2014/15 by my predecessor, Nils Flaatten. In the final month of the financial year I joined the agency that he has ably run for the past four years.

Despite the fact that the financial year was a tough one for trade and investment globally, Wesgro – under Nils' leadership – was able to excel in promoting Cape Town and the Western Cape as an inspiring place to visit and do business.

With a total of R1.9 billion committed investment projects, our Investment Promotion Unit (IP) exceeded its upper band investment target for the year by R302 million. In the process, a total of 1 187 jobs were created and 55 new investment projects were added to the pipeline.

Investment and Trade Promotion jointly hosted 21 inward delegations from countries including India, the Ukraine, Italy, South Korea, the United States and Portugal. These delegations covered sectors such as manufacturing, agri-processing, design and building, film and media, ICT, oil and gas. In addition, IP led 11 outward missions to markets which included Saudi Arabia, Germany, the Netherlands, China, India, the UAE and Japan.

The Agribusiness Investment Unit (AIU) managed to secure four investment projects, creating 325 jobs in the process. With committed investment totalling R225 million, AIU successfully managed to exceed its upper band investment target by R116 million. The Unit also added 14 investment projects to the pipeline and undertook seven outward missions to countries including Germany, the Netherlands, United States, India, China, Hong Kong and Saudi Arabia.

The Trade Promotion Unit (TP) led 218 Western Cape-based companies on outward selling initiatives to foreign markets, exceeding their set target of leading 150 companies for the year. In addition, they assisted 552 companies via our Exporter Development Programme (EDP).

The agency signed 12 destination Joint Marketing Agreements (JMAs) with key role players in tourism globally. As a result of these JMAs we have reached many millions of potential visitors to Cape Town and the Western Cape. In addition, our Destination Marketing Unit (DMU) supported seven "jewel" events and 24 regional events and ran 14 e-marketing campaigns. With the Department of Economic Development and Tourism, the DMU developed a 5-year destination marketing plan which outlines six niche markets for the Western Cape to prioritise over the next five years. These markets are: design and culture; wine and cuisine; youth and students; agriculture and tourism, and adventure and cycling.

The Cape Town & Western Cape Convention Bureau successfully secured a total of 16 conference bids with an estimated value of R271 million. The Bureau hosted a record number of 20 international associations from sectors including pharmaceutical, medical, science, academia and technology at the largest ever BestCities annual Client Workshop to date. We would like to extend a special thanks to the National Convention Bureau, SA Tourism, the Cape Town International Convention Centre and the many tourism product owners in the Province.

Our Wesgro Research Unit produced 116 publications which focused on the Province's priority sectors and markets. The Research Unit responded to special requests for information with an average turnaround time of 2.5 days from inception of request. In addition, the Unit developed a total of 38 tourism, trade and investment presentations.

Wesgro has once again received an award from the Auditor General of South Africa for a clean audit for the 2013/14 financial year, making it the second year in succession that the agency received an unqualified audit opinion.

Shareholder funding remains consistent with year-on-year inflationary increases. The agency received R21 million for destination marketing, R19 million for trade and investment promotion and R2.2 million for the AIU from our primary shareholder, the Western Cape Government. We also received R10 million from our secondary shareholder, the City of Cape Town, for Trade and Investment Promotion.

The vacant positions within the agency remain a concern as the two Unit Manager positions for Trade and Investment have been vacant for some time as suitable candidates could, as yet, not be recruited. No activities have been discontinued during the financial year. Preparations are currently under way for the SBIDZ to be established as a public entity separate from Wesgro.

The agency spent the allocation received, thus no need for a roll-over request is anticipated.

The agency embarked on a process to ensure compliance with supply chain regulations electronically. This will ensure that before a purchase order is approved, the request to purchase will test the compliance to supply chain regulations. This system was started to be rolled out at the end of the financial year and will be implemented during the following year as the development continues over the financial year.

The agency managed five tenders during the financial year. All the tenders were under R500 000 and it was decided to continue with a tender process on the project funding only even though it was not a requirement. This was to ensure transparency and to allow staff to be equipped for the tender process. The SCM processes are in place despite the fact that the SCM Manager resigned during the financial year. The function is now carried by the Financial Controller. There are no events after the reporting date.

Project Khulisa, which was launched by the Western Cape Government this year, identifies tourism, oil and gas and agri-processing as three strategic sectors for growth. We have therefore developed a strategy aligned to both National and Provincial Frameworks, setting an ambitious programme for the next five years which aims to stimulate the facilitation and increase of economic growth and job creation in the Western Cape.

On behalf of the agency, I wish to thank Premier Helen Zille, MECs Alan Winde and his departments, the Department of Agriculture and the Department of Economic Development and Tourism for their continued support. We would also like to say a special thank you to our Executive Mayor, Patricia de Lille. Without your backing and belief in our ability to promote our City and Province as an inspiring place to visit and do business, we would not have been able to achieve the success that we have.

To our industry partners, district mayors, municipalities, regional and local tourism offices: we salute you for your continued support. A special word of thanks must also be given to the Business Chambers and Export Councils for their support in ensuring economic growth and sustainability.

I would also like to thank the Board of Directors for their continued support and guidance. Your time and business expertise is invaluable to the agency.

To the management and staff, thank you for your continued enthusiasm and hard work. We have a significant role to play in positioning Cape Town and the Western Cape as an inspiring place to discover. Your ability to remain positive and focused year in and year out shows your love for your Province and your passion for what you do.

Lastly, I would like to thank Nils Flaatten for his leadership and the sterling contribution he made to promote Cape Town and the Western Cape as a preferred destination for tourism, trade and investment.

A handwritten signature in black ink, appearing to read 'Tim Harris', written over a white background with a faint grid pattern.

Tim Harris

Chief Executive Officer

Wesgro

29 May 2015

6

statement of responsibility and confirmation of accuracy for 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.

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 the National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) 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 that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are 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 2015.

Yours faithfully



Tim Harris

Chief Executive Officer

29 May 2015



Brian Figaji

Chairperson of the Board

29 May 2015

vision

- To be Africa's globally renowned Tourism, Trade and Investment Promotion agency.

mission

- To fulfil our mandate, as prescribed by the City of Cape Town and Provincial Government, to attract and retain direct investment, grow exports and market Cape Town and the Western Cape as a competitive business destination globally;
- To align with the national and provincial priorities for economic growth, trade and investment promotion initiatives;
- To facilitate the link between business and government decision-makers; and
- To provide service excellence in all our business support functions.

values

- Professionalism and commitment to excellence
- Efficient and outcomes driven
- Focused but responsive
- Passion
- Accountability
- Integrity and trust
- A spirit of public private partnership

7 strategic overview of the tourism, trade and investment environment

Macro-economic performance

Real Gross Domestic Product (GDP) growth in South Africa for 2014 reached 1.5%, a slowdown from the 2.2% growth experienced in the previous year. This weak growth performance limits South Africa's attractiveness as a destination for foreign direct investment.

In February this year, the National Treasury lowered growth expectations for the South African economy from 2.5% to 2%. The World Bank and International Monetary Fund IMF also revised their economic outlooks for the country downward, indicating that slower growth can be expected due to policy uncertainty and the ongoing energy crisis constraining industrial output.

Furthermore, to avoid a ratings downgrade and remain at investment grade, the National Treasury is under pressure to signal ongoing macroeconomic stability. In this regard, it is reassuring to note that six major South African money market funds have received AA+ ratings, which indicates that the private sector has strong prospective credit quality.

The stability of the rand remains a concern, with the currency being highly traded and very susceptible to investor sentiment. The volatility of the currency plays a major role in the economy as South Africa is a major oil importer and the impact of a weakened exchange rate is felt through increased fuel prices. Despite recent weakening of the rand, the Reserve Bank has remained bullish with only one minor interest rate increase in three years. The weakness of the rand does however improve the competitiveness of exporters globally, giving South African exporters an advantage in a highly competitive environment where pricing is important.

Foreign direct investment (FDI)

Global FDI activity peaked in 2011 when the highest number of projects was recorded; however project numbers have declined each year since then. Investors cite "domestic market growth potential" as their top motivation for investment and it is clear that economies offering strong growth prospects and stability are receiving the highest rate of investment.

The United States received the largest number of projects – double that of China, which is second, followed by the United Kingdom. The BRICS countries' presence in the top destination markets for investment indicates that emerging market economies with growing industries and increasingly wealthier consumers continue to be attractive to investment.

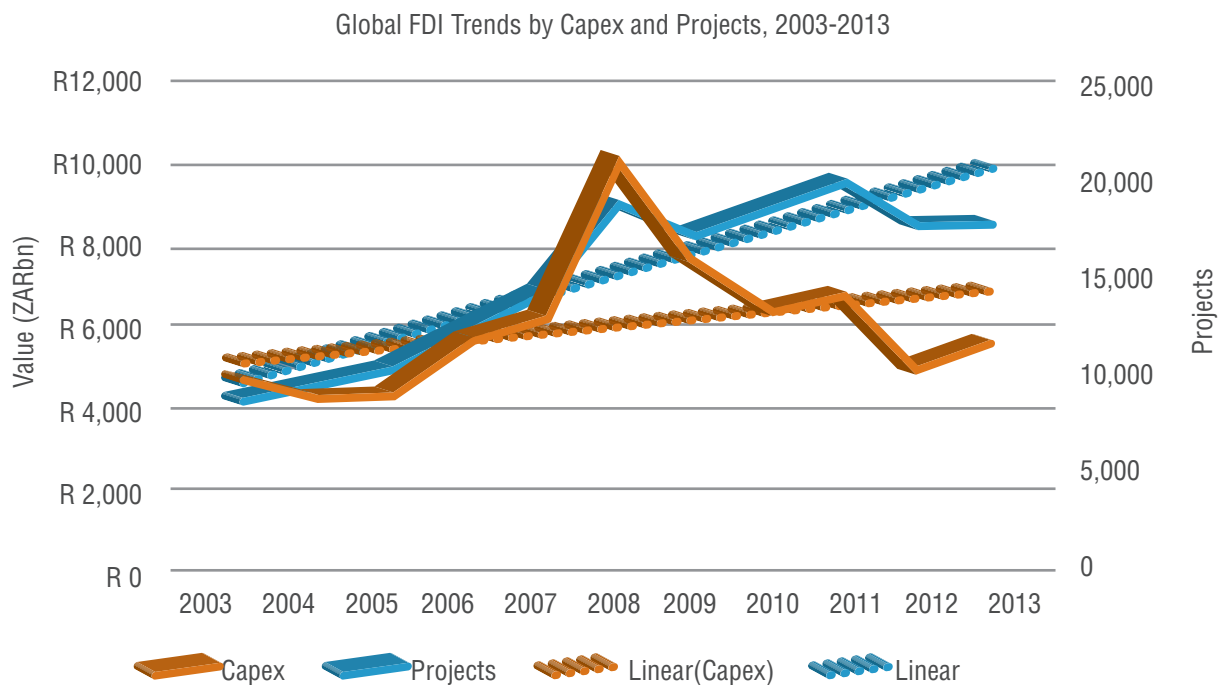
Investment remains highly concentrated, however, with the top five destinations receiving two-fifths of projects. The United States alone accounts for one-fifth of all projects globally, receiving double the investment of China. Analysing investment at a city level shows that Shanghai has received a higher number of projects and capital than any other city in the past ten years. Singapore and London received the second and third highest number of projects and capex, followed by Dubai, Hong Kong and Beijing. New York was the 7th highest recipient of projects overall and Chicago the 18th. This demonstrates how cities are becoming more prominent in FDI considerations.

According to the Financial Times (2014), the top 10% of investors account for 60% of all projects globally, one-fifth of capital investment and one-fifth of jobs created. Since 2011, the number of companies investing globally has declined annually. The environment for foreign direct investment has become highly competitive and companies have become more demanding in their requirements for locations. Global value chains are also changing the way that companies invest and foreign direct investments are made more strategically now than ever. The importance of FDI to governments worldwide has resulted in incentive schemes becoming a highly competitive area; not only at a national level but at city level too.

The software and IT services sector, accounting for one-tenth of all projects, has been the top sector for global investment for the past ten years. Metals received the highest investment values of all the sectors, with food and tobacco generating the highest number of overall jobs. Investment in food, beverages and tobacco has tended to include both retail and manufacturing activities.

The graph below indicates global FDI trends by capex and projects for the past ten years. The declining trend in global capital investment flows is obvious, as is the strong upward trend in the number of FDI projects. If firms experience financial recovery, increased project values may transpire in the future.

The average project size is R401m and the average number of jobs created by an investment project has been 168. This means that R2.38m is invested in the creation of one job. The trends show that the decline in the value of investments is impacting on jobs.



Source: Financial Times, 2014

In the past ten years, the Western Cape has attracted 194 FDI projects with a capital value of ZAR53.6bn. From these FDI projects a total of 19 237 jobs were created in the Western Cape. The top source markets for FDI include the United Kingdom, the United States, the Netherlands, Germany and France. The top three sectors for FDI activity are in the services sector, namely business services, software & IT services and financial services. During the past ten years the business services sector has attracted almost one-fifth of projects. Sectors such as oil and gas, renewable energy and communications have been the recipients of the highest value investments. As with the global economy, domestic market growth potential was cited as the top motive for 38% of companies investing in the Western Cape.

Investment from the Western Cape has been consistent over the past two years, with 25 projects to the value of ZAR27.17bn coming from the provincial economy. Most of the projects have been to African countries such as Nigeria, Angola, Zambia and Kenya, with high value projects destined for the United Kingdom. The largest sectors for outward FDI have been food and tobacco, real estate, services, oil and gas.

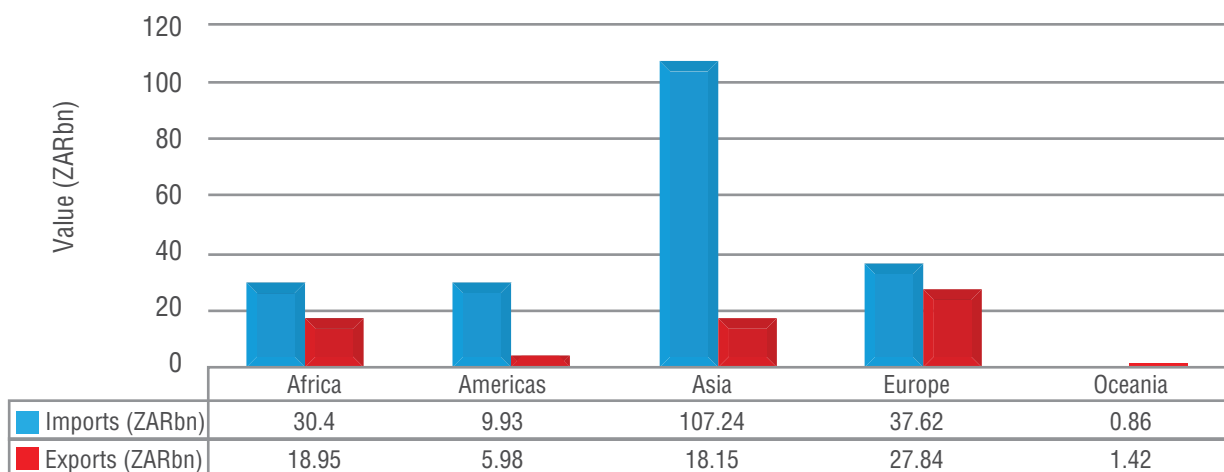
Trade environment

In 2013, the Western Cape exported ZAR74.9bn in goods globally – an increase of 16% from 2012. However, in trade, the Western Cape has a strong dependence on petroleum oil products, which accounted for 10.8% of exports and 53.5% of imports in 2013. When assessing trade without petroleum products, the Western Cape’s trade deficit shrinks from ZAR111.7bn to ZAR20.3bn. The fact that Western Cape non-petroleum exports increased by 19.2% in 2013 illustrates how the Western Cape’s trade basket is affected by petroleum and that the remainder of the export product basket is very diverse.

The Western Cape’s main export market is Europe, with exports to markets in Europe reaching ZAR27.8bn in 2013. The top three destination countries for exports from the Province include the Netherlands (ZAR6.8bn), the United Kingdom (ZAR6.6bn) and Germany (ZAR3.9bn), with products including grapes, citrus, apples, wines, stone fruit and machinery such as liquid gas centrifuges. The United States, the 5th largest export market, imports mainly wines, jewellery, citrus, yachts and crustaceans.

Africa has grown to be the Western Cape’s second largest region for exports, followed by Asia. As such, countries like Mozambique (4th), Angola (8th) and Kenya (9th) feature among the top ten markets. The export basket to Africa differs from the European market, with products from the Western Cape destined for these market including mostly products like iron and steel, asphalt, industrial food and drink preparation machinery, sulphur, fertilizers and plastic compounds to meet the growing industries of these developing markets.

Western Cape Regional Trade Flows, 2013



Source: Quantec, 2014

The Western Cape exports 98% of South Africa’s wines, 70.5% of all citrus and 90% of other fruit and nuts. The Province has a 79% share in the national export of niche manufactured products like hot-rolled iron/steel, with exports reaching ZAR3.11bn in 2013 reflecting a growth of 7.47%.

Tourism performance

The 1,569,195 foreign arrivals to the Western Cape in 2013 reflect a growth of 15.9% and exceeds the number of arrivals in 2010 (the year of the FIFA World Cup), positioning 2013 as the most successful year for tourism yet.

The Western Cape has once again regained its position as the top province in terms of total paid bed nights in South Africa, growing by 17.8% and reaching 13,961,722 since 2012. In 2013, the Province hosted 37% of the total bed nights in South Africa, with the average length of stay for foreign tourists maintained at 12.6 nights.

Domestic tourism in the Western Cape fared equally well in 2013, with the number of trips increasing by 19.9% to 2,351,000. In the same year the number of bed nights spent also increased by 12% from 1,302,000 to 12,102,000, with the average length of stay increasing from four to five nights.

8

legislative and other mandates

The Western Cape Tourism, Trade and Investment Promotion Agency Amendment Act, No. 6 of 2013 (the Wesgro Act) states that Wesgro is the “official Tourism, Trade and Investment Promotion agency of the Western Cape.” Section 4 of the new Wesgro Act (as amended) states that “the objectives of Wesgro shall be:

- To promote tourism, trade and investment in the Western Cape Province; and
- To undertake, at the request of the responsible Minister or other stakeholders or agencies, activities for which the necessary resources can be raised and which, in the opinion of the Board, will contribute to the strengthening of the Western Cape and/or promote equitable participation in the economy by sectors of the community and/or regions of the Western Cape.”

In terms of the Public Finance Management Act, No 1 of 1999, Wesgro is a section 3(c) public entity. Wesgro upholds the legally binding principles of a government agency of transparency and accountability. The agency is built on a corporate structure whereby the Board of Directors are the accounting authority of the agency, whilst the Minister of Agriculture, Economic Development and Tourism is the executive authority.

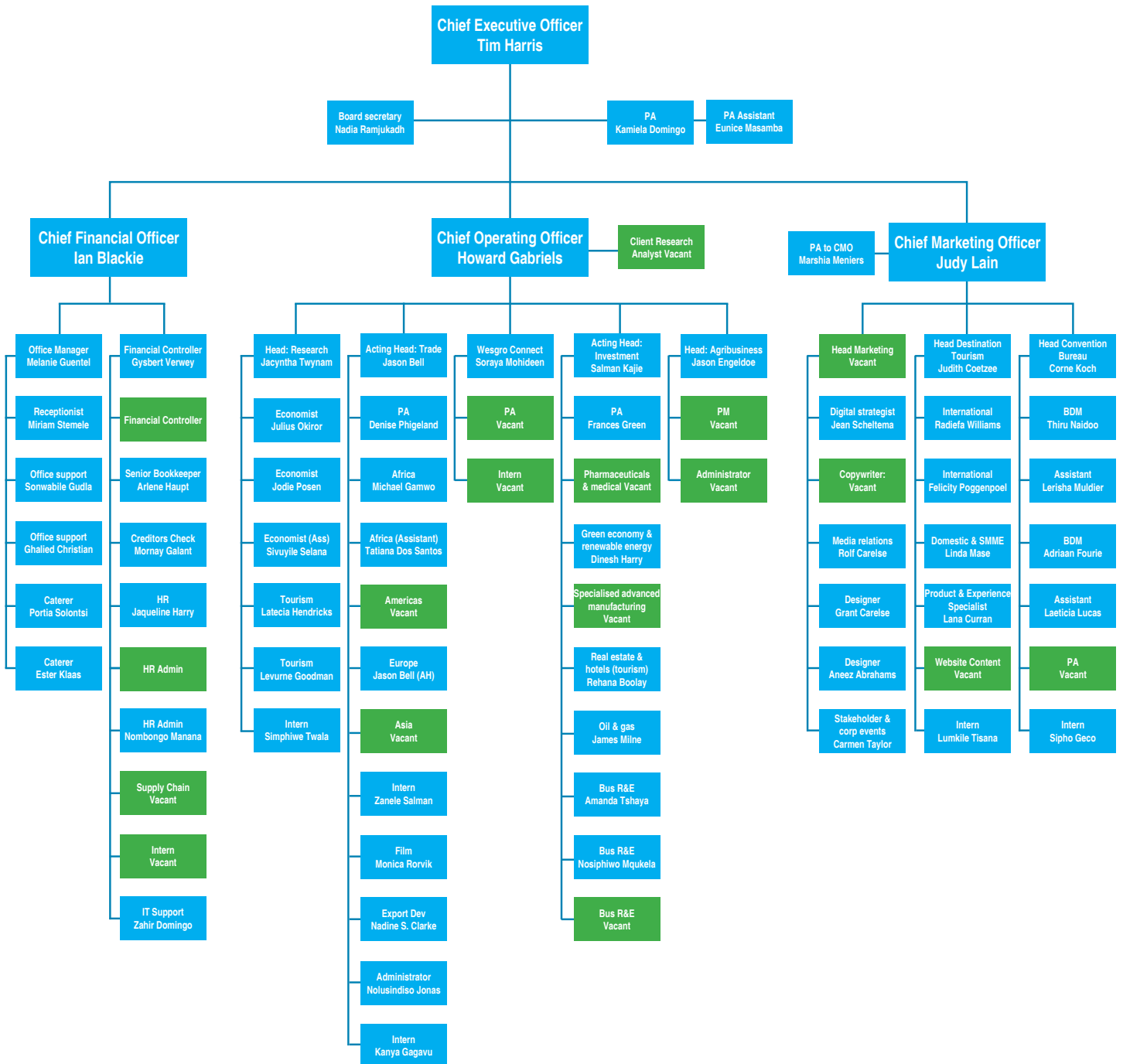
Wesgro is an agency of the Department of Economic Development and Tourism (DEDAT) and functions within the broad policy framework of the department, with the Provincial Strategic Objective 1 of “Increasing opportunities for growth and jobs” being the key policy framework that guides our work. In this context Wesgro is responsible for the promotion and marketing of Cape Town and the Western Cape as both a tourism and business destination of choice to both the domestic and international market. Thus, through increasing the number of tourist arrivals and the capacity of businesses in the Western Cape to export locally produced goods and services, and through attracting foreign and domestic direct investments into businesses in the Western Cape, Wesgro will positively contribute to the strategic objectives of the Province.

The following legislation, amongst others, cover the operational aspects of Wesgro:

- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003) (MFMA)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)
- Skills Development Act, 1998 (Act 97 of 1998)
- Skills Development Levy Act, 1999 (Act 9 of 1999)
- Western Cape Trade and Investment Promotion agency Act, 1996 (Act 3 of 1996)

9

organisational structure



10

board of directors



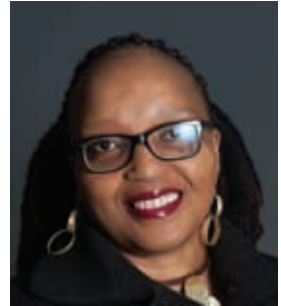
Professor Brian Figaji



Michael Spicer



David Green



Bulelwa Makalima-Ngewana



Andrea Böhmert



Peter Hurst



Paul Bannister



Professor Haroon Borhat



Ian Bartes



Chris Whelan



Francois Schippers



Wessie van der Westhuizen

Board of directors

The new Board of Directors was appointed on 1 June 2014 for a 3- (three-) year tenure ending 31 May 2017.

Professor Brian Figaji (Chairman)

Chairman of Marib Holdings

Professor Figaji has occupied leadership positions for many years: from his role as practising engineer to his position as Vice President of the Engineering Council of South Africa to his role in Education, with 11 years spent as Vice Chancellor of Peninsula Technikon. In addition, he served as a Director on the Board of Nedbank and chaired their Remuneration Committee.

He served as the South African representative at UNESCO in Paris from 2007 – 2011 and then chaired the South African National Committee for UNESCO.

Michael Spicer (Deputy Chairman)

Chairman: Anglo American South Africa

Michael is the former Vice President of Business Leadership South Africa and held the position of Chief Executive Officer. He has been extensively involved in business and public life and currently serves as non-executive Chairman on the Board of Anglo America South Africa.

He was an inaugural member of the Presidential International Advisory Board of Mozambique.

David Green

Chief Executive Officer – Victoria and Alfred Waterfront

David's extensive experience includes financial management experience in a wide range of industries in various countries. His industry experience includes property investment and development, transport, manufacturing and FMCG. The skill set he has acquired includes strategic planning, leading various corporate transactions, business turnarounds, contract negotiations and IT system implementations.

Bulelwa Makalima-Ngewana

Chief Executive Officer – Cape Town Partnership

Bulelwa has spent the last six years working towards the revival of the Cape Town CBD. She is an urban revivalist at heart. Her background includes working with rural and urban communities, town planning and management of development facilitation programmes.

Andrea Böhmert

Director and Partner – Knife Capital

Andrea has more than ten years experience in the investment environment, focusing on investments in high growth SMEs in South Africa. Her experience ranges from the identification of suitable investment opportunities to the negotiation of investment deals, due diligence and post-investment management. She also co-authored the book Brain Bases Executive Education.

Peter Hurst

Group Managing Director – Added-Asset International

Peter has held various executive positions with large multi-national corporations, assuming full responsibility and accountability for bottom-line performance. His track record spans the building and developing of large international high performance teams and the mentoring and coaching of senior executives on a one-on-one basis. Peter has a vested interest in working with South African trade and investment agencies on developing export programmes.

Paul Bannister

Managing Director – Ignite Strategies

Paul has extensive experience in the marketing and communications industry, with his areas of expertise ranging from brand development, marketing and communications to business strategy. He has worked with various industries including banking, resources and Government. Paul has served on the Board of South African Tourism and was also a member of their Marketing Committee.

Professor Haroon Borat

Professor – School of Economics and Director – Development Policy Research Unit at UCT

Professor Haroon Borat has a PhD in Economics, a field he is passionate about. He is currently a lecturer at the University of Cape Town's School of Economics and formally serves on the Presidential Economic Advisory Panel. In the past he served as an Economic Advisor to the former Presidents of South Africa.

Ian Bartes (Chairman: Audit, IT and Risk Committee)

Manager: Service Standards and Quality Assurance – ACSA - CTIA

Ian has been a Senior Manager at the Cape Town International Airport for the past 16 years. Prior to that he was Executive: Finance and IT at Rennie's Group, trading as Saftainer. He also served as Chairman of Cape Town Tourism. Ian has extensive experience in top management liaison, provincial and local government structures as well as business.

Chris Whelan (Chairman: Human Resources and Remuneration Committee)

Chief Executive Officer: Accelerate Cape Town

Chris is an executive level business leader with more than 15 years experience. He assists organisations in developing strategies and defining business architectures. He has extensive experience in change management and supporting diverse teams in achieving their desired goals. Chris serves as a Director and Deputy Chairman of Cape Town Design.

Francois Schippers

Executive Mayor: Saldanha Bay Municipality

Francois has been involved in management in the private sector for over twenty five years.

He currently holds the position of Executive Mayor of the Saldanha Bay Municipality. The area is earmarked as an economic development zone, with the announcement of the Saldanha Bay Industrial Development Zone during 2013.

He is also a Provincial Executive Member of SALGA, Western Cape.

Wessie Van Der Westhuizen

Executive Mayor: Eden District Municipality

Mr Van Der Westhuizen is a former Teacher and UWC graduate. He was a National Negotiator for South African Democratic Teachers' Union.

He also did marketing in the media field and has been a Radio journalist for the last 7 years.

He has been the Executive Mayor of the Eden District for the last four years.

Mr Van Der Westhuizen is also involved in regional tourist related issues.





jodie posen (research)

part b: performance information

1 auditor's report: predetermined objectives

The AGSA/auditor currently performs the necessary audit procedures pertaining to 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 heading Predetermined Objectives in the section Report on other legal and regulatory requirements of the auditor's report.

Refer to page 98 for the Auditors Report, published as Part E: Financial Information.

2 situational analysis

2.1. service delivery environment

Despite tough market conditions, the past financial year has been a very successful year in terms of Wesgro's overall performance. The Investment Promotion Unit committed 16 new investment projects to the value of R1.96 billion, exceeding our target by 120%. Through these investments we were able to create 1187 direct jobs in the Province. In addition, the Agribusiness Unit (AIU) committed four new investment projects with a rand value of R225 million, exceeding our target by 206% and contributing to the creation of 325 direct jobs in the Province.

Wesgro assisted a total of 770 companies in the Western Cape with export advice and support. A total of 218 companies participated in outward selling missions led or supported by Wesgro (most of these missions were supported by the incentive schemes of the dti). A further 552 companies participated in our Export Development Programme. The agency facilitated 17 foreign inbound buying missions to the Western Cape. We have held two very successful West African Business Networking forums.

Wesgro Connect is a pilot programme funded by the City of Cape Town. The project focuses on developing new ways of providing export-specific mentoring and market linkages. Wesgro Connect first delivered a Business Requirements Specification (BRS), which recommended programme design, data and business processes. The pilot was formally launched in July 2014 with 16 exporters.

Wesgro Research produced 116 publications aimed at meeting the needs of investors, exporters and the tourism sector. The Research Unit dealt with 146 information requests with an average turnaround time of 2.5 days and made a total of 38 presentations to both local and international business delegations. Wesgro Research conducts both primary and secondary research for the tourism sector which is analysed and disseminated through publications on the Wesgro website. Tourism publications consider matters including, but not limited to, trends in foreign and domestic arrivals, tourism spend, airport arrivals, purpose of visits and geographic spread across the Western Cape. Wesgro's success here lies in the close relationship with the tourism industry that distributes and collects surveys in return for research to assist and inform the tourism strategy of the Province as well as local town and regions.

The Marketing and Communications Unit manages all engagement with top business leaders and government officials, which have included the High Commissioners of Namibia and Ghana and the Ambassador of Sweden. The team also successfully conceptualised, managed and implemented events for Wesgro in partnership with the private sector. Events included Mining Indaba's Cocktail Function, Wesgro Business Lunch and the networking function for the Council of Arab Ambassadors. The Unit successfully managed to leverage its own, paid and earned media channels. During the period under review, the Unit received more than R21 million worth of publicity.

Wesgro's Convention Bureau secured 16 conference bids with an estimated economic impact of R271 million. The bids won are aligned to sectors which our trade and investment teams focus on, showing the opportunity to cross-sell and join efforts across the units within Wesgro. The team managed to assist incentive groups from our key emerging markets.

Key to the success of Wesgro's tourism teams are their partnerships with the private sector. These include the sponsorship of the SATSA conference, the sponsorship of JAMMS, SMME hosted breakfasts and the hosting of the BestCities Global Client Workshop. Strategically driven Joint Marketing Agreements (JMAs) allow us to drive a high return on investment in terms of marketing activities performed by the tourism teams. Examples of these include KLM and iFly magazine reaching over 5 million people in our key source markets and Qatar Airways' JMA which reached 8 million people in our key source and emerging markets.

Regional events not only drive geographic spread, but also have an economic impact on businesses outside the traditional tourism channels in the towns and regions, while the larger “jewel” events assist in driving the global positioning of the Western Cape as an events destination. Over the period in review, Wesgro assisted 27 events.

The SBIDZ board is constituted and functions efficiently under the chairmanship of Mr. JG Stegman. Six right of first refusal agreements have so far been signed with international and national companies in addition to a Business Forum Charter, which was signed with various Saldanha Bay Business Forums in November 2014.

The Supplier Awareness Day which was held in Saldanha Bay in October 2014, was aimed at providing all emerging and established suppliers and contractors with an understanding of the procurement and infrastructure opportunities that the community will be given over the next few years. In March this year a Skills Awareness Day was held to serve as a platform for training agencies to acquire a background on the SBIDZ’s skills development plans for 2015. Infrastructure contracts to the value of approximately R177 million have been committed for the 2014/15 financial year.

2.2. organisational environment

At the end of the financial year a new Chief Executive Officer was appointed and a farewell function was held for the out-going CEO, Mr. Nils Flaatten. The handover process between the two CEOs was dealt with effectively and in a professional manner.

2.3. key policy developments and legislative changes

The Province is currently reviewing its policy through Project Khulisa, which identifies Agro-processing, Oil & Gas and Tourism as priority sectors. This will have a significant impact on the operational aspects of our work as our efforts will support the direction chosen by Project Khulisa.

2.4. strategic outcome-oriented goals

The Strategic Outcome-oriented Goals of Wesgro are aligned with the Department of Economic Development and Tourism.

Strategic Outcome Goal	The stimulation, facilitation and increase of economic growth and opportunities through Tourism, Trade and Investment promotion and the building of a strong regional economic brand.
Goal Statement	<ul style="list-style-type: none"> • Effectively market Cape Town and the Western Cape as a tourism destination to increase domestic and international tourist arrivals; • Support the trade and export promotion of qualified exporters to improve the opportunity for employment creation and new investment; • Attract domestic and foreign direct investment to support economic growth and employment creation; and • Build a strong regional economic brand that will make Cape Town and the Western Cape an inspiring place to do business.

3

performance information by programme

3.1. programme 1: administration

Purpose

The purpose of the programme is to provide strategic leadership, ensure sound corporate governance, and build relationships and linkages with the business community and key stakeholders.

Programme Structure

Programme 1 is divided into three sub-programmes, namely:

- **Office of the Executive Management Unit**

This sub-programme aims to provide strategic leadership and maintain a high level of corporate governance. It also works to develop strong relationships and linkages with the business community and key stakeholders

- **Monitoring and Evaluation**

This sub-programme is responsible for the implementation and management of reporting systems, which must comply with the guidelines as set out in the Treasury Regulations, the PFMA and the MFMA. The sub-programme is responsible for the timely and accurate delivery of monthly, quarterly, and annual reports to stakeholders.

- **Wesgro Board and Sub-Committees**

This sub-programme provides strategic direction and ensures that sound corporate governance is implemented.

Strategic Objectives

The strategic objectives of this programme are:

- To provide strategic leadership and build strategic partnerships with the business community and key stakeholders;
- To ensure that principles of good corporate governance and the effective management of best practices in the administration of the organisation are implemented

The Wesgro Board and sub-committees ensure that the accounting authority, the Board of Directors and its sub-committees receive the administrative support required to function optimally. Bound by the Western Cape Tourism, Trade and Investment Promotion agency Amendment 6 of 2013, the Public Finance Management Act (as amended), the Board of Directors has a number of fiduciary duties to fulfil. The main functions of the Board include the following:

- To ensure that the agency fulfils its mandatory obligations and meets its targets;
- To ensure that the principles of good corporate governance are implemented to facilitate efficient service delivery.

Furthermore, the Administration programme is focused on building and strengthening strategic partnerships at local, provincial, national and international levels in order to fulfil its core mandate, which is to attract domestic and foreign direct investment into the Western Cape, to assist and support qualified exporters, and to market the Western Cape as a tourism and business destination. These strategic partnerships assist in marketing business opportunities, planning activities, connecting to sources of intelligence and providing linkages for policy advocacy.

In order to build and strengthen the agency's business network, the Office of the CEO embarks on a number of outward initiatives and attends industry events and conferences.

Office of the Executive Management Unit

Types of meetings	Total
Outward Initiatives	5
Inward Missions and Delegations	29
Meetings with Banking, Consulting and Law Firms	18
Corporate Engagements	232
Engagement with Tourism Companies	14

Types of meetings	Total
Diplomatic Engagements	43
Local Events & Conferences	70
Meetings with Tertiary Institutions	10
Media Interviews	20

During the course of the year extensive meetings and consultation were held with other government departments and stakeholders as reflected in the table below.

Types of meetings	Total
Appearance before Parliamentary Committees	8
Parliamentary Engagements	4
Office of the Premier Engagements	10
Ministerial Engagements	13
City of Cape Town Engagements	22
DEDAT Engagements	54
Department of Agriculture	9
Provincial Treasury	4
Department of Tourism	8
National Department of Trade and Industry	7
Department of International Relations and Co-operation	4
Saldanha IDZ Steering Committee meeting	21
Office of the Auditor General	1

Key activities for the year

- We said farewell to our outgoing CEO, Mr Nils Flaatten on 26 February 2015 and welcomed our new CEO, Mr. Tim Harris, who started on 1 March 2015. The handover process was managed in an effective and professional manner.
- The following outbound missions were conducted by the EMU:
 - Angola (April 2014): Attended the 56th UNWTO Commission for Africa CAF Meeting & Regional Seminar on Tourism & Air Connectivity in Africa in Luanda, Angola.
 - Houston, Texas (May 2014): Accompanied SBIDZ to Houston, Texas at the Offshore Technology Conference.
 - Singapore (May – June 2014): Accompanied Honourable Mayor Patricia de Lille and a high profile delegation to Singapore to attend the World Cities Summit Mayor Forum 2014.
 - Nigeria (August 2014): Participated in a trade mission with 26 companies to Lagos, Nigeria.
 - Angola (March 2015): Accompanied Honourable Mayor Patricia de Lille to Angola to attend the 2nd Africa Urban Infrastructure Investment Forum.
- Here follows a snapshot of meetings and speaking engagements to promote Wesgro:
 - Attended the Annual Brunch hosted by the Premier of the Western Cape
 - Guest speaker at the Western Cape Funding Fair
 - Sponsored and attended the Cape Town Jazz Festival
 - Attended the MIPTECH Forum
 - Attended the Economic Statistics User Group meeting at Stats SA
 - Attended the Standing Committee on Economic Opportunities, Tourism and Agriculture
 - Attended the Regional Communicators Forum
 - Appeared before Standing Committee on Agriculture and Economic Development re Public Hearing on New Immigration Regulation

- Attended exclusive ABSA business client dinner hosted by Maria Ramos, Group Chief Executive of Barclays Africa and Craig Bond, Chief Executive of Retail and Business Banking in Africa
- Attended Ernst and Young presentation by Tim Harris on Africa Business Centre re Ernst and Young's Africa Investment Plan initiative
- Attended breakfast and roundtable session with Netherlands Minister Lilianne Ploumen from Foreign Affairs and Development Cooperation accompanied by the Deputy Director General Agriculture and Nature, Ministry of Economic Affairs
- Attended Frost & Sullivan's Growth, Innovation & Leadership Event
- Attended the 2nd Lilizela Tourism Awards
- Attended the 4th German - South African Business Forum Workshop & Dinner Reception
- Attended the Accelerate Cape Town AGM
- Attended the AGOA Beneficiaries Retreat in Pretoria
- Attended the Atlantis SEZ Provincial Steering Committee Meeting
- Attended the Budget Vote Debate on Tourism
- Attended the Bureau for Food and Agricultural Policy Baseline launch
- Attended the Hotel Investment Conference Africa (HICA) in Johannesburg
- Attended the PwC Vision to Reality: Emerging Business Opportunities Across Africa Workshop
- Attended the Sanlam Western Cape Stakeholders' Function
- Courtesy meeting with Premier Zille, Mr Pedro Gonçalves, Portuguese Secretary Of State for Innovation, Investment And Competitiveness
- Facilitator and Keynote Speaker at Innovation Summit
- Facilitator at SA Bureau of Standards event
- Guest speaker at Top300 WC Publication breakfast
- Presented at DCI Network Breakfast (Design, Construction and Interior Network)
- Presented at the Western Cape meeting of the Ministers and Mayors (MINMAYTECH)
- Presented the Western Cape Tourism Promotion Plan at the Tourism, Arts & Entertainment (TAE) Partnership Film Plenary session
- Attended the Marketing Working Group Lekgotla
- Attended Executive Mayor of Cape Town Patricia de Lille's breakfast launch
- Attended the Regional Leaders Forum in Atlanta USA
- Attended Tourism Indaba 2014
- Speaker at the Africa Day event hosted by the Premier's Office

Key Sub-Programme: Monitoring and Evaluation

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

Key activities for the year

The following submissions were made by the agency:

- Wesgro 2013/14 Annual Report
- The Quarterly Reports for each quarter were submitted to all stakeholders as well as the Provincial Treasury
- Annual Performance Plan 2015/16
- Wesgro 5-year Strategic Plan 2015-20

Strategic and business planning management

The EMU manages Wesgro's strategic and business planning processes. Key deliverables include the management of planning processes; ensuring timeous delivery to stakeholders; integration and alignment of inputs from Wesgro's various business units; and stakeholder consultation throughout the planning process to ensure strategic alignment.

Wesgro Board and Sub-committees

This sub-programme aims to ensure that sound corporate governance principles are implemented and that best practice is effectively managed in the administration of the organisation.

Board Secretariat

The EMU provides administrative support to the Board of Directors and its sub-committees.

Key activities for the year

- The new Wesgro Board was appointed in June 2014. Professor Brian Figaji was appointed as the Chairman of the Board and Mr Michael Spicer as Deputy Chairman.
- The new Human Resources and Remuneration Committee was appointed by the Board. Mr. Chris Whelan was appointed as Chairman of the Committee.
- The new Audit, Information Technology and Risk Committee was appointed by the Board. Mr. Ian Bartes was appointed as Chairman of the Committee.
- The MEC, Minister Winde, attended the Strategic Meeting of the Board held on 8 September 2014.
- The Wesgro Board held a special meeting on 27 September 2014 to discuss the strategic way forward for the agency.

programme 1: board and the office of the ceo

Programme: Office of the Chief Executive Officer					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of performance reports submitted by deadlines as stipulated in the MOU	12	12	12	-	The target set out for the period has been achieved
Number of Corporate plans submitted by deadline as legislatively required	3	3	7	+4	Included the Annual Performance Plan and the 5-year Strategy
Number of international outward initiatives to attract investment and trade opportunities by meeting targeted investors and generating new investor and trade contracts	4	6	5	-1	The outward initiatives were not achieved due to changes in the EMU office

Programme: Monitoring and Evaluation					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of performance reports submitted by deadline as stipulated in the MOA	12-monthly financial reports submitted 10 working days after monthend	12-monthly financial reports submitted 10 working days after monthend	12-monthly financial reports submitted 10 working days after monthend	-	The target set out for the period has been achieved
4 quarterly reports by the quarterly deadline as stipulated in the MOA	4 quarterly reports by the quarterly deadline as stipulated in the MOA for the 2014/15 financial year	4 quarterly reports by the quarterly deadline as stipulated in the MOA for the 2014/15 financial year	4 quarterly reports by the quarterly deadline as stipulated in the MOA for the 2014/15 financial year	-	The target set out for the period has been achieved
1 Annual Report: 31 August 2014	1 Annual Report: 31 August 2014			1 Annual Report: 31 August 2014	The target set out for the period has been achieved
Number of corporate plans submitted by deadline as legislatively required	3	3	3	-	The target set out for the period has been achieved

Programme: Monitoring and Evaluation					
Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Submission of first draft Annual Performance Plan as legislatively required	30 September 2013	30 September 2014	30 September 2014	-	The target set out for the period has been achieved as these are set legislative dates
Submission of second draft Annual Performance Plan as legislatively required	01 December 2013	01 December 2014	01 December 2014	-	The target set out for the period has been achieved as these are set legislative dates
Submission of final Annual Performance Plan as legislatively required	28 February 2013	28 February 2014	28 February 2014	-	The target set out for the period has been achieved as these are set legislative dates

Sub-Programme: Wesgro Board and Sub-Committees

Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of minimum required Board meetings and sub-committee meetings scheduled and taken place	14	16	17	+1	New Board & appointment of new CEO
Number of formal Board meetings scheduled and actioned	4	4	7	+3	These additional meetings were requested as the new Board of Directors familiarised themselves with Wesgro and its business
Number of special Board meetings scheduled and actioned	2	4	5	+1	These additional meetings were requested as the new Bboard of Directors familiarised themselves with Wesgro and its business
Number of Human Resource and Remuneration Committee meetings scheduled and actioned	4	4	3	-1	The HR&RC meeting did not take place in Quarter 2 due to the inauguration of the new Board
Number of Audit, IT & Risk Committee meetings scheduled and actioned	4	4	4	4	The target set out for the period has been achieved

The main objectives of this programme are to provide strategic leadership and good corporate governance, and to project a positive image to all stakeholders and clients. The new Board was appointed during the course of the year and the new CEO was appointed with effect of 1 March 2015, with a smooth handover that followed.

Strategy to overcome underperformance

None required

Changes required to planned targets

None required

Linking performance with budgets

Programme	2014/2015			2013/2014		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	
Office of the CEO	4 677	4 911	(234)	4 037	3 521	516
Total	4 677	4 911	(234)	4 037	3 521	516

3.2. programme 2: corporate services

Purpose

The purpose of the programme is to provide efficient, cost-effective, transparent and responsive corporate services to the agency.

Programme Structure

Programme 2 is divided into three sub-programmes, namely:

- **Financial Management**

Effective financial management is aimed at ensuring the upholding of the legislative requirements of the agency. The sub-programme of financial management will also ensure that the necessary resources required to efficiently run core operations, are provided

- **IT and Administration**

As a provincial public entity the agency has to 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 systems of management within the public sector is achieved, and transparency and accountability is maintained and visible.

The corporate services programme has an acute focus on maintaining sound IT and administrative systems and infrastructure. Effective systems and processes are a necessary component to maintain credibility, ensure accountability, improve operating efficiencies and generate institutional memory. Detailed reports are available on request.

- **Human Resources Management**

The human resources sub-programme will ensure all legislative compliance in addition to ensuring the agency maintain a world-class, skilled workforce. The agency's biggest asset lies in its human capital and the knowledge of its people. Maintaining the employees of Wesgro will ensure effective delivery of the agency's services as well as optimal customer service delivery.

Strategic Objectives

The strategic objectives of this programme are:

- To maintain a high level of financial management and financial management capacity;
- To provide first class IT and administration services to employees of the agency;
- To provide world class human resources support and services through the recruitment, maintenance, and development of a competent, motivated workforce in the department that is in compliance with all HR and agency policies and procedures.

Key activities for the year

- Wesgro received an unqualified audit opinion for the third year in a row. Financial statements and the annual report were submitted in accordance with the legislative requirements.
- The Saldanha IDZ was established as a separate company and all assets were transferred to the company when they moved into new premises during the year.
- The final budget for the new financial year along with the annual performance plan for 2015/16 and 5-year strategic plan were submitted to the Provincial Treasury. Late in January the Trade and Investment budget and DMO budget were increased by R 2.4m to R22.4m and R7.8m to R28.3m respectively. Among the separate budgets for Trade and Investment and the DMO that have been compiled and submitted via the Wesgro Board to Provincial Treasury was a 5-year budget proposal up to 2019/2020.

programme 2: corporate services

Programme: Financial Management					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Quarterly comparison between actual and budgeted expenditure against approved budget as per signed MOA	4	4	4	0	The target set out for the period has been achieved
Frequency at which monthly revenue and projections are assessed within 7 working days of monthend	12	12	12	0	The target set out for the period has been achieved
Monthly departmental expenditure reports submitted to business units within 10 working days of monthend	12	12	12	0	The target set out for the period has been achieved
Quarterly reconciliation of the asset register with 100% accuracy outcome	4	4	4	0	The target set out for the period has been achieved
Number of significant internal audit findings not addressed for the financial year	0	0	0	0	The target set out for the period has been achieved
Monthly payments made to creditors within 30 days from date of receipt	30 days	30 days	30 days	0	The target set out for the period has been achieved
Unqualified external audit report with no emphasis on matters of finance	Unqualified external audit report with no emphasis on matters of finance	Unqualified external audit report with no emphasis on matters of finance	Unqualified external audit report with no emphasis on matters of finance	0	The target set out for the period has been achieved
Average 5-day turnaround time for approval of submissions from date of receipt	2.08 days	5 days	2.34 days	2.66 days	The electronic purchase order system improved turnaround time dramatically

Programme: IT and Administration Services					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Maintain and ensure a reliable and stable network infrastructure through a maximum of 8 hours of downtime during working hours	7.25 Hours Down Time	8 Hours Down Time	51 Min 10 Sec	7 Hours, 8 min and 50 Sec	An improved system and controls resulted in an overall improvement
Maintain full annual compliance with National Guidelines on Supply Chain Management measured in external audit		100%	100%	0	The target set out for the period has been achieved

The main objectives of this programme, which are to provide the support necessary for Wesgro to function efficiently and effectively, have been achieved in all areas. We are particularly proud that this is the third year that we secured a clean audit – proving that our administrative systems are functioning well.

Strategy to overcome underperformance

None required

Changes required to planned targets

None required

Linking Performance with budgets

Programme	2014/2015			2013/2014		
	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	8 721	9 752	(1 031)	13 127	13 832	295
Total	8 721	9 752	(1 031)	13 127	13 832	295

constantia, cape town



3.3. programme 3: investment promotion

Purpose

The Investment Promotion Unit is responsible for attracting and facilitating foreign and domestic direct investment into the Western Cape, as well as retaining existing investments and supporting their expansions. The Unit identifies and targets potential investors through proposition-based marketing in order to attract their investments to the Region.

Strategic objectives

- Developing and managing a quality and robust investment pipeline.
- Performing strategic positioning activities to build a competitive advantage for the Western Cape as an investment destination.
- Developing and executing an investor-targeted strategy.
- Attracting investment projects to create a robust pipeline into the Western Cape.
- Facilitating investment and jobs in the Western Cape

Programme Structure

The Unit attracts foreign and domestic direct investment to the Western Cape from international and local sources by means of the following activities:

• **Investment Recruitment**

Wesgro proactively markets the Province and priority industries to attract investment. The agency's investment promotion activities include:

- Investor research
- Investor targeting
- Inward and outward missions

• **Investment Facilitation**

Investment facilitation aims to minimise delays in the investment process. Wesgro offers several investment facilitation services, including:

- Accessing Incentives
- Accessing Finance
- Site Allocation
- Accessing Networks
- Matchmaking
- Expediting Approvals

• **Business Retention and Expansion (Aftercare)**

Through Investment Promotion's aftercare programme, Wesgro aims to assist the Western Cape's existing business base to grow their footprint in the Region.

• **Advocacy**

The aim of policy advocacy is to identify constraints to investment and alert decision-makers to the negative effects specific policies have on the business environment. Lobbying initiatives are driven to enhance the attractiveness of the Western Cape as an investment location.

Key activities for the year

Highlights of Investment Promotion's activities to attract investment to the Province include the following:

- The Investment Promotion Unit exceeded its annual target by committing 16 new investment projects.
- The rand value of committed investments totalled R1 958 287 000. This exceeds the upper band target of R1 630 000 000 by 20%.
- These investments were instrumental in the facilitation of 1 187 new direct jobs for the Western Cape.
- Eight of the investments originated from international sources, with the remaining eight projects originating within South Africa through Wesgro's continuous engagement with local industry.
- Fifty-five new quality investments were attracted into the pipeline through proactive lead-generation activities at both local and international level.

- As part of the Unit's investment recruitment strategy, the following 11 Outward Missions were conducted during the year:
 - Germany (Agribusiness)
 - India (Multi-sector)
 - China (Multi-sector)
 - Hong Kong (Multi-sector)
 - Saudi Arabia (Multi-sector)
 - UAE (Multi-sector)
 - Japan (Renewable Energy)
 - Luxembourg (ICT)
 - Belgium (ICT)
 - Germany (Agribusiness)
 - the Netherlands (Agribusiness)
- Twenty-one inward business delegations represented by European, American and Asian business communities were hosted to market the Western Cape to potential investors, proving that the Western Cape remains an attractive global investment destination.
- Strategic engagements are continuously held with Sector Development Agencies to ensure Wesgro's alignment to the Province's Economic Development efforts. Investment Promotion engages the following organisations:
 - Green Cape Initiative
 - SAOGA
 - CITI
 - CTFC
 - Western Cape Furniture Initiative
 - Marine Industry Association of South Africa
 - BPeSA

Investment Performance

The following table provides a breakdown of committed investments for 2014/15:

Committed Investment 2014/15			
Company	Source Country	ZAR	Jobs
New Investment Projects			
Innovolt South Africa (Pty) Ltd	USA	20 000 000	10
Dei Solutions	Ukraine	25 000 000	25
Xintong Steel	China	35 000 000	150
VVF Life Sciences SA (Pty) Ltd	India	50 000 000	100
Longyuan Eng SA Ltd	China	750 000 000	70
Valco Group SA	France	5 720 000	25
Leopold 7	Belgium	101 000 000	25
Oasca Industrial Construction (Pty) Ltd	South Africa	30 000 000	120
Busamed (Pty) Ltd	South Africa	750 000 000	300
Our Hood	South Africa	15 000 000	40
Sub Total		1 781 720 000	865

Committed Investment 2014/15			
Company	Source Country	ZAR	Jobs
Expansion Projects			
Ti-tamed	South Africa	46 167 000	10
Fabrinox (Pty) Limited	South Africa	65 400 000	80
Raw 4 x 4 (Pty) Ltd	South Africa	15 000 000	80
Fish 4 Africa	South Africa	15 000 000	92
Seamonster	South Africa	30 000 000	30
MLT (Pty) Ltd	South Africa	5 000 000	30
Sub Total		176 567 000	322
Total		1 958 287 000	1 187

In addition to the R986 720 000 in committed foreign direct investments recorded in the Annual Report of the Department of Economic Development and Tourism (DEDAT), we successfully secured a further R971 567 000 in committed investments from domestic sources.

Special Projects: Agribusiness Investment Unit (AIU)

Purpose

The purpose of these special projects is to attract direct investment in the Western Cape Agribusiness sector while retaining existing investments and supporting expansions.

Strategic objectives

The Investment Promotion Unit manages the Agribusiness Investment Unit (AIU) on behalf of the Department of Agriculture. The Unit is responsible for locating new direct investments in the Western Cape agricultural sector while retaining existing investments and supporting their expansions.

Key Activities for the Year

Highlights of the AIU's activities to attract investment to the Province include the following

- The commitment of four new investment projects.
- The rand value of committed investments totalled R225 000 000, which exceeds the upper band target of R108 820 000 by 206%.
- These investments were instrumental in the facilitation of 325 new direct jobs for the Western Cape.
- Fourteen new, quality investments were attracted into the pipeline through proactive lead-generation activities at both local and international level.
- As part of the AIU's investment recruitment strategy, the following 7 Outward Missions were conducted during the year:
 - United States of America (Agribusiness)
 - India (Multi-sector)
 - China (Multi-sector)
 - Hong Kong (Multi-sector)
 - Saudi Arabia (Multi-sector)
 - Germany (Agribusiness)
 - the Netherlands (Agribusiness)
- Eleven inward business delegations represented by the European, American and Asian business communities were hosted to proactively engage with potential investors, proving that the Western Cape remains an attractive global investment destination.
- Strategic engagements are continuously held with Sector Development Agencies to ensure Wesgro's alignment to the Province's Economic Development efforts. The AIU maintains an ongoing dialogue with both the WCFFI and WCADI.

Investment Performance:

The following table provides a breakdown of committed investments for 2014/15:

Committed Investments for 2014/15			
Company	Source Country	ZAR	Jobs
New Investment Projects			
Our Source (Pty) Ltd)	South Africa	40 000 000	25
Sub Total		40 000 000	25
EXPANSION PROJETS			
Excellent Meats	South Africa	95 000 000	100
Stellar Wines	South Africa	60 000 000	150
Good Hope Meat Hyper	South Africa	30 000 000	50
Sub Total		185 000 000	300
Total		225 000 000	325

programme 3: investment promotion

Programme: Investment Promotion (IP)					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from Planned Target to Actual Achievement for 2014/2015	Comments on Deviations
Number of new quality investment projects realised	12	15	16	+1	Investment Promotion has exceeded its annual target.
Rand value of committed investment projects into the Western Cape	1,709bn	R811 – 1630	R1,958bn	R328 000	Investment Promotion exceeded its annual target. This is testament to the fact that the Unit recruits quality investments into the pipeline
Number of jobs facilitated/sustained in the Western Cape	741	811 – 1630	1187	-443	While Investment Promotion fell short of the target, it strives to continuously identify investments that will have major impacts on employment creation
Number of new, quality investment projects attracted into the pipeline	34	35	55	+20	The Unit exceeded its annual target. This illustrates that a proactive approach to investment recruitment yields optimal results

Programme: Investment Promotion (IP)					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from Planned Target to Actual Achievement for 2014/2015	Comments on Deviations
Number of strategic engagements with SDAs	19	15	20	+5	The Unit exceeded its annual target. Investment Promotion strives to collaborate with agencies in order to increase its impact on economic development

Programme: Agribusiness Investment Unit (AIU)					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of new quality Investment projects realised	4	8	4	-4	While the AIU fell short of the annual target, it successfully exceeded both the investment and jobs target for the financial year
Rand value of committed investment projects into the Western Cape	105m	R54.64m – R108.82m	R225m	+R117m	The AIU exceeded its annual target for committed investments for the financial year. This is testament to the fact that the Unit recruits quality investments into the pipeline
Number of jobs facilitated/sustained in the Western Cape	128	131.9 – 262.8	325	+63	The AIU exceeded its target for the number of jobs created for the financial year
Number of new, quality investment projects attracted into the pipeline	11	14	14	-	The AIU met its target for the financial year. This illustrates that a proactive approach to investor recruitment yields optimal results
Number of strategic engagements with SDAs	4	9	3	-6	The Unit fell short of the annual target, based on a lack of resources within the AIU

The objective of attracting investments to the Western Cape is central to Wesgro's mandate. During the financial year we did well, exceeding our key targets set for the year in both the number and value of investment projects. Investments that were committed during the financial year were the result of a relatively slow maturing process. As it could sometimes take as long as 24 or 36 months to commit an investment, the quality of a project in the investment pipeline is crucial.

It has been observed that the number of jobs associated with the value of a committed investment has been declining over the last few years. This year's ratio of jobs to value of committed investment is one job to R1.65 million invested.

Strategy to overcome areas of under performance

We are monitoring the situation regarding the number of jobs associated with the value of an investment and will address this in future planning processes.

Changes to planned targets

None required

Linking performance with budgets

Programme	2014/2015			2013/2014		
	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	4 761	3 363	1 399	4 191	3 527	664
Total	4 761	3 363	1 399	4 191	3 527	664

3.4. programme 4: trade promotion

Purpose

The purpose of the Trade Promotion programme is to support and encourage the sustainable growth of the export of Western Cape products and services, to promote the Western Cape as a film destination and encourage the growth of a globally competitive film industry.

Programmes structure

The key programmes are:

- **Export Development**

The Export Development Programme (EDP) serves to support the growth and/or strengthening of the foundation of Western Cape export companies.

- **Export Promotion**

Wesgro's export promotion services allow companies the opportunity to gain access to international markets through visits to these markets with a Wesgro International Trade Manager.

- **Export Retention and Expansion**

Wesgro's export retention and expansion services create a platform for Western Cape export businesses to keep abreast of the dynamic and changing international environment in which they are operating. This programme monitors the current environment and aims to inform business about the issues that affect them.

- **Film Development and Promotion**

The purpose here is to promote the Western Cape as a film destination and to encourage the growth of a competitive film industry. The mission is to attract foreign film productions and co-productions to the Western Cape and to promote locally produced films globally.

Strategic objectives

The strategic objectives of the programme are:

- To assist Western Cape companies with their exports and to enhance the Western Cape's exporter capability;
- To provide qualified Western Cape exporters with access to international markets.

Key activities for the year

During the 2014/15 financial year key sub-programmes achieved the following:

Exporter Development Programme (EDP)

During the year, 77 companies participated in the EDP 2 programme, which is an extensive training programme with 6 modules addressing all aspects of the export process. Wesgro no longer offers the EDP 1 programme, which is now delivered by other agencies such as SEDA. A total of 408 companies participated in the EDP 3 programme, which comprises 8 seminars and 8 mission briefing sessions.

Below is a snapshot of the seminars:

Event	Sector	Number of companies attending
Going to Market! How Do I prepare my Quote Workshop	Furniture/Arts & Crafts and Textiles	13
Financing your exports to China	Agro-processing	26
Exporting to Asian Markets	Food/Wine/Agri-processing	79
Dutch Good Growth Fund	Multi-Sector	21
International Private Labelling	Multi-sector	47
The ABC of Exporting – Export	Multi-Sector	28
Foodex Japan Briefing	Multi-sector/agri-processing	8
Training Programme entitled Planning for Exporting Essentials	Multi-Sector	38

Export Development Programme 3: PUM Programme

In the PUM Programme – a programme supported by the Dutch Government – we supported nine companies with mentorship assistance during this financial year. These companies were positioned in the following sectors: Agro-processing; Film; Interior design and Manufacturing.

The following table provides a snapshot of the companies that participated in the EDP 3: PUM programme:

Company	Sector
Exotic Taste	Food
Okhuhle Media	Film
African Brand Link	Design & Construction and Interiors Network
Lyons Linens	Manufacturing
Total Projects Group	Project Management
Linen Drawer	Manufacturing
Constantia Curtains	Manufacturing
Custom Graphics & Print	Printing
Montagu Wine & Spirits	Agri-processing/Wine

Wesgro Connect

The Wesgro Connect pilot programme consists of a pair of initiatives – namely export-specific mentoring and market linkages – that are funded by the City of Cape Town.

Wesgro Connect first delivered its Business Requirements Specification (BRS), which recommended programme design, data and business processes. An analysis of Wesgro resulted in the documentation of its organisational value chain. The trade promotion aspects of this value chain were unpacked and two primary activities were identified: promote trade and develop supply. From these two primary trade promotion activities, a toolset was created to recruit and record new clients, assess clients' needs, manage service delivery and track the benefit facilitated for the client. A tangible result of the BRS was the technical development of automated processes and a dynamic website. The programme also delivered a change management approach, which included development of the Wesgro Connect brand, communications, change impact assessments, leadership alignment, stakeholder management and training. This set of activities articulated the case for change and provided a framework in which all Wesgro Connect stakeholders were actively engaged.

Following a recruitment drive, the pilot programme was formally launched in July 2014. A total of 16 exporters successfully met the qualitative and quantitative selection criteria. Eight were designated as mentees and eight as market linkage programme participants. Eight mentors were recruited and matched to the respective mentees using an established mentoring methodology. The mentoring training service provider held training sessions for mentors and mentees and tracked nine meetings between each pair. The Project Manager, along with an International Trade Manager, conducted site visits to market linkage programme participants to conduct a detailed needs assessment, agree on development needs and co-create an action plan to be driven by the exporter.

In support of the programme outlined above, several auxiliary initiatives were launched to support the exporters. Three months into the pilot, the first Connect Up networking event was held. This event took the innovative format of speed-dating between programme participants and industry experts. In the course of the 2-hour event, the exporter had the opportunity to engage with experts from varied disciplines such as export finance, trade law, export marketing and so on. These disciplines were clearly identified in the BRS exercise as areas exporters needed support in. A second Connect Up event was held nine months into the pilot. Wesgro Connect also produced a hard copy book for exporters called "Making Exporters Your Business" which serves as a practical guide to exporters

National Pavilions

The National Pavilions are run and managed by the Department of Trade and Industry. During the financial year we assisted a total of 57 Western Cape-based companies with participation in the following national pavilions:

- FACIM Trade exhibition in Mozambique
- World Food Moscow 2014
- Gulfood 2015 in Dubai
- Japan Foodex 2015

Individual Exhibitions (International Trade Fairs and Exhibitors)

Wesgro identifies exhibitions that would be strategically important for Western Cape businesses to participate in as a vehicle to expanding their exports.

The following International Trade Fairs and Exhibitions were attended during the financial year:

- Index Dubai Exhibition, May 2014 – attended by 13 Western Cape companies
- SIAL China 2014, June 2014 – attended by 25 Western Cape companies
- APAS Brazil, May 2014 – attended by 7 Western Cape companies
- 100% London Design, 2014 – attended by 8 Western Cape companies
- Food and Hotel, Thailand, May 2014 – attended by 17 Western Cape companies
- PLMA LA, USA, Nov 2014 – attended by 8 Western Cape companies
- SA China Expos, 2014 – attended by 18 Western Cape companies
- Cameroon International Trade Exhibition, May 2014 – attended by 17 Western Cape companies
- Prodexpo 2015, Moscow, Russia, February 2015 – attended by 7 Western Cape companies

Outward Selling Initiatives

During the year, Wesgro led a total of 17 Outward Selling missions focused on markets and sectors which could give Western Cape exporters a competitive edge. Outward selling initiatives are either funded through the dti EMIA, the dti SSAS incentives or by the companies themselves.

Event	Country	No of Companies	Programme	Sector	Date
OSM to Ghana	Ghana	24	SSAS	Multi-sector	June 2014
Outward selling mission to APAS, Brazil	Brazil	7	SSAS	Agri-processing, wines, olive oil and beverages	May 2014
OSM to Mozambique	Mozambique	7	OSM	Oil & Gas Sector	Aug 2014
OSM to Nigeria	Nigeria	23	SSAS	IT/ICT/ Oil & Gas	Aug 2014
Food and Hotel Thailand 2015	Thailand	17	SSAS	Food and Wine	Sept 2014
World Food Moscow Trade Show	Moscow, Russia	18	National Pavilion	Food and Wine	Sept 2014
SA China Expo 2014 - OSM	China	20	EMIA	Agro-processing (wines & tea)	Oct-Nov 2014
OSM to Brazil, Sao Paulo and Curitiba	Brazil, Sao Paulo and Curitiba	20	ITI	Agri-processing (wine, Rooibos tea and cosmetics)	Oct 2014
Cameroon International Trade Fair	Cameroon	7	EMIA	Multi-sectors	Dec 2014
Gulfood 2015	Dubai	13	EMIA	Agri-processing	Feb 2015
ProdExpo	Moscow, Russia	7	EMIA	Agri-processing	Feb 2015

Event	Country	No of Companies	Programme	Sector	Date
OSM to India (Kolkota and Hyderabad)	India (Kolkota and Hyderabad)	6	ITI	Cosmetics	Feb 2015
Agri-processing	Feb 2015	19	EMIA	Agri-processing	March 2015
Foodex 2015	Japan	19	EMIA	Agri-processing	March 2015

Sector Specific Assistance Scheme (SSAS) Outward Missions

Wesgro supports emerging exporters to access the dti SSAS programme with a view to prepare them to engage international markets, addressing issues such as overcoming barriers and constraints in accessing the global market and business opportunities, researching the market (as identified by Wesgro) and identifying related threats and opportunities for their business-related pricing issues and their competition within this market.

During the year Wesgro led a total of 102 companies on various missions with the support of the dti SSAS programme.

Below is a snapshot of companies that were involved:

Company	Event	Sector
Mervyn Gers Ceramics	EDP3 SSAS 100% London Design	Ceramics
Khula Technologies	OSM to Nigeria	ICT
MTD Manufacturing Engineering (Pty) Ltd	OSM to Nigeria	Manufacturing of tools
Star South Fresh Fruit	OSM to Ghana	Fresh Produce
Prima Pharma	OSM to Ghana	Medical
M'hudi Wines	OSM to Ghana	Agri -processing
Bergendal Rooibos t/a Carmien Tea	EDP SSAS to PLMA, LA	Beverages
Fine Cape Wine Exporters	OSM to Singapore & Indonesia	Agro -processing (wines)
La Ric Mal	OSM to Singapore & Indonesia	Agro -processing (wines)

Inward Buying Missions:

This programme provides a platform for Western Cape exporters to engage with foreign buyers visiting the Western Cape. Setting up business-to-business meetings between the exporters and relevant foreign buyers or importers, Wesgro facilitates a captive opportunity for the sale of products or services.

Delegation	Country	Aim	Sector
UAE delegation	United Arab Emirates	Buyer delegation sponsored by the dti to meet with SA companies to source export goods	Food and Beverage
Sudanese Inward Buying Mission	Sudan	To explore SA markets to source export goods	Multi-sectors
Inward Buying Missions Bindawood Farming and Energizing BR Consult	Cameroon	To source Agri-products, partnerships for cattle farming and building materials	Import & Export Farming Consulting
Inward Buying Mission – Shanghai Cape Industry	Shanghai	Sourcing export goods from SA to Shanghai Free Trade Zone	Food

Delegation	Country	Aim	Sector
Burundi Presidential Inward Buying Mission	Burundi	An opportunity for Western Cape companies and Burundi counterparts to form business partnerships	Multi-sector
Equatorial Guinea Inward Buying Mission	Equatorial Guinea	A business networking seminar to form business partnerships	Multi-sector
African Business Women Networking Forum	Congo, DRC, Namibia, Ghana, Gabon and the Congo Republic	Wesgro, in collaboration with Feminar group, hosted an African Business Women Networking Forum to network and interact with fellow Africa businesses with a view to forming partnerships	Multi-sector
Cameroon Inward Buying mission	Cameroon	Delegation led by property developer Alain Kofa with a view to sourcing interior designers and builders	Design and building sectors
Angolan Inward Buying mission	Angola	Delegation led by Angela Martha of SLL tours to source partnerships and promote business and tourism between Angola and the WC	Tour Operators
Syria Inward Buying Mission	Syria	Aimed at Agribusiness exports to Syria and Lebanon	Agribusiness
Uganda	Uganda	Aimed at exporting juices to Uganda	Agri-processing

Key Highlights for the Year

- Following an inward mission with Apex Brazil, Wesgro secured a trade lead for olive oil with the possibility of exporting to Paraguay from an importer based in Brazil.
- Robinson & Sinclair's national listing and an order with Walmart Sam's Club Brazil. Wesgro led this Western Cape-based company on its outward selling mission to Brazil.
- Two Western Cape companies who attended SIAL China 2014 won innovation awards.
- Wesgro co-ordinated a meeting with various Sector Development Agencies in the food industry to discuss the hosting of SIAL in Africa in 2016. The meeting was facilitated by the SIAL representative and Wesgro.
- Hosted and co-ordinated a workshop which saw the Department of Trade and Industry/Trade and Investment South Africa facilitate a stakeholder consultation session with all the relevant key institutions in the provincial export value chain (Export Councils, SEDA and Municipalities) on the proposed institutional framework which will give weight to the implementation of the INES and the National Exporter Development Programme (NEDP).
- As part of the East Africa Market research programme, the Africa Desk Manager undertook a fact finding mission to Kenya from 25 June to 1 July with a view to providing an efficient platform to enable Western Cape exporters to establish a foothold in East African markets; mainly Mozambique, Kenya, Tanzania and Zambia. The initial stage of the programme involved desk market research on the countries mentioned. This was then followed by on the field market exploration to establish Wesgro networks and contacts in key industry sectors and business institutions. These networks will be used in the next phase of the programme to facilitate Wesgro trade missions and exhibitions in the relevant markets.
- Led by Mr. David Zhang, a Chinese inward buying mission to SA, saw 18 selected companies visit the Shanghai Free-Trade Zone as "South Africa Food World" from 20 July – 16 August 2014.

- Wesgro Trade was instrumental in obtaining the Russia veterinary certificate to facilitate exports to Russia for South African companies. Following a 12-day site inspection with the NRCS (abbreviation?), approval was granted on 5 November 2014, with the following 12 companies approved under certain terms and conditions:
 - Abagold Ltd, Compass Challenger, GSA Trades (Pty) Ltd, Harvest Atlantic Peace, Irvin & Johnson Limited, Kaytrad Coldstore, LAVERNE, Marine Products, Pioneer Fishing (Pty) Ltd, Sea Harvest Corporation (Pty) Ltd, Sea Vuna Fishing Company (Pty) Ltd, Viking Fishing Co (Pty) Ltd. In an article featured in the Cape Times Business Report on 12 November 2014, Sea Harvest CEO Felix Ratheb confirmed that his company had received a R25 – 40 million order from Russia for delivery early in 2015.
- The following are some of the recent success stories from companies launched on the market by Wesgro:
 - Katavi Botanicals: Their anti-aging, all natural skincare range that draws on indigenous African extracts, debuted on the national US television channel, the EVINE live show Before and After Beauty, on 20 March 2015.
 - Zari sparkling wines – ZARI Sparkling Grape juice will be on sale at Lulu Retailers in Dubai for Easter. The shipment was approved by the Abu Dhabi authorities and released for sale in accordance with all regulations.
 - The Trade team assisted with a Mayoral visit to Luanda, capital city of Angola with the express purpose of strengthening relations and promoting bilateral trade between the Western Cape and Angola.

Western Africa Business Network Forums (WABNF)

A key component of the Western African Trade corridor programme is the Western African Business Networking Forum, which is aimed at bringing together Western Cape businesses with West African businesspeople operating in the Province. In addition to networking, participants have the opportunity to listen to experts speak about recent developments in the area of trade and investment in Africa. The forum is also often attended by the government officials from these countries.

Wesgro, in collaboration with The Department of the Premier, hosted the Business Networking seminar at Southern Sun's Cape Sun Hotel in Cape Town on Friday, 23 May 2014 as part of the Africa Day celebrations programme for 2014. The event was attended by 150 businesspeople from the Western Cape and other African countries based in Cape Town, by the Consul Generals and members of the broader consular corps in Cape Town, and by SA government officials.

The seminar presented an opportunity to network with consular officials from Angola, Madagascar, Mauritius and Namibia, and to visit the exhibition stands set up at the venue by the above countries. Business presentations were made by the various speakers, including the consul of Mauritius, the IDC, PWC and Wesgro.

During Quarter four the Africa Desk met with the ambassadors of Ghana, Botswana, the Congo Republic and Namibia. They also hosted a networking session with Western Cape companies at Wesgro as part of the African Networking Forum. Networking is a key part of our work and because these ambassadors are based in Pretoria, it's important that we take advantage of their presence in Cape Town to provide a platform for networking and interaction with local businesses.

Sector Development agency Activity

The Trade Promotion team met with the following SDAs during the past year:

- Wines of South Africa
- Abalone Export Council
- Cape Town Fashion Council
- Cape Craft and Design Institute
- National Empowerment Fund
- Western Cape Fine Food Initiative
- FishSA

programme 4: trade promotion

Programme: Trade Promotion					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from Planned Target to Actual Achievement for 2014/2015	Comments on Deviations
Total number of Western Cape companies assisted with export	501	500	770	+270	We overachieved as there was a great demand from companies to participate in our export activities
Number of Western Cape companies assisted with export via the Exporter Development Programme	340	350	552	+202	We overachieved as there was a great demand from companies to participate in our export activities
Number of Western Cape companies assisted/lead on outward selling initiatives to foreign markets	161	150	218	+68	We overachieved as there was a great demand from companies to participate in our export activities
Number of foreign buying trade missions attracted and facilitated	24	24	16	-8	There are a number of factors beyond our control that resulted in the decline in inbound missions, eg. the negative impact of ebola on the African continent
Number of West African Business Network Forums arranged and facilitated	2	2	2	-	The target set out for the period has been achieved
Number of strategic engagements with SDAs	111	15	74	+59	Our Unit was constantly in contact with the Sector Development Agencies in the Western Cape to assist them with planning activities for Export and Development for their members. Also met with them to collaborate on international events

Film Unit

Programme: Film					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from Planned Target to Actual Achievement for 2014/2015	Comments on Deviations
Film marketing, trade and investment promotion: Number of businesses assisted	68	25	215	+180	Additional opportunities were available to assist businesses through workshops
Number of economic intelligence reports (film)	1	1	1	0	Target set out for the period achieved
Review of film strategy	1	1	1	0	Target set out for the period achieved
Sponsorship of Loeries Creative Week Event	1	1	1	0	Target set out for the period achieved
Outbound Missions	5	1	4	+3	Additional opportunities were created through special invitations
Inbound Missions	1	1	1	0	Target set out for the period achieved

The objective of the Trade Promotion Unit is to support and encourage a sustainable growth in Western Cape product and service exports. The Unit is largely dependent on dti incentives to support companies on outbound missions and to facilitate export capacity improvements for Western Cape-based companies. We overachieved on our targets due to the great demand from companies to participate in our activities.

The pilot project Wesgro Connect also assisted us with the review and development of business processes pertaining to trade promotion. This will result in us reviewing the operations in this unit in the next financial year.

Strategy to overcome underperformance

None required

Changes required to planned targets

None required

Linking Performance with budgets

Programme	2014/2015			2013/2014		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trade Promotion	5 299	4 598	701	4 212	3 855	357
Total	5 299	4 598	701	4 212	3 855	357

3.5. programme 5: research

Purpose

The purpose of the programme is to provide strategic tourism, trade and investment intelligence to support and inform the agency's goals and strategy, while enhancing the agency's promotion activities through strategic intelligence.

Programme Structure

The Unit supports the agency's tourism, trade and investment promotion activities with intelligence on key sectors and foreign markets, with a specific focus on tourism, trade and investment as a key tool to promoting the Western Cape and Cape Town as a business destination. The Unit analyses global tourism, trade and investment trends to inform the strategy of the agency, thus feeding intelligence into the rest of Wesgro to assist the agency in making informed business decisions.

The Wesgro Research Unit has been focusing on providing a menu of information on various countries and sectors through the website since 2011/12. Information about the countries is directed specifically to exporters' market-related needs and the sector information is directed at potential investors. The development of country-sector information has further enhanced the information offered to exporters by providing sector specific information in a given country to allow the exporter to have a greater understanding of the market and its export potential. Apart from the country and sector information, the knowledge offering is extended to economic, trade and investment information which is provided on the Western Cape Region and its various districts.

Strategic Objective

The strategic objective of this programme is to develop relevant tourism, trade and investment publications, and to provide customised research and information in support of the core functions of the agency.

During the 2014/15 financial year the Wesgro website recorded over 200 000 downloads of Wesgro research publications, proving that a proactive approach to research has paid off. The Research Unit will continue to strive to maintain and improve its credibility as a leading source of information on the Western Cape and Cape Town as a business destination. The Wesgro Research team aims to ensure that information and publications developed remain relevant and speak to the changing global economy and changing needs of exporters and investors.

Wesgro Research conducts both primary and secondary research for the tourism sector, which is analysed and disseminated through publications on the Wesgro website. Tourism publications consider matters including but not limited to trends in foreign and domestic arrivals, tourism spend, airport arrivals, purpose of visit and geographic spread across the Western Cape. The success of tourism research for the Province as conducted by Wesgro lies in the close relations with the tourism industry to distribute and collect surveys in return for research that will assist and inform the tourism strategy of the Province as well as local town and regions respectively.

The Research Unit deals with all information requests pertaining to the economy of the Western Cape, trade (particularly exports), investment and tourism from interested parties across the globe. The Unit develops and presents presentations on trade, investment and tourism as well as both the Western Cape and South Africa. These presentations are developed and presented to various international and domestic delegations to assist in achieving a greater understanding of the Province as a business destination and to assist with decision-making by informing business delegations about opportunities for trade and investment as well as addressing concerns and questions. Finally, the Unit prepares the generic presentation for the agency, providing information on the local and regional economy, trade, investment and tourism. This presentation is designed to assist client-facing units of the agency to address client needs and provide these units critical information to address those needs.

Key activities for the year

- Completed 116 publications
- Dealt with 146 information requests with an average turnaround time of 2.5 days
- 38 presentations to both local and international business delegations
- Completed City of Cape Town project Invest in Cape Town booklet
- Compiled tourism section for the hospitality brochure for the City of Cape Town's Invest in a room with a view
- Completed City of Cape Town project Cape Town Investor Confidence Assessment
- Executed the following tourism research road shows to assist the local tourism industry players in distributing and collecting the tourism surveys: two Cape West Coast road shows, two Cape Winelands road shows and one Cape Overberg road show.
- Attended and presented at the Department of Tourism's Research and Knowledge Management forum in Upington on 25 & 26 September 2014
- Co-contributed to the quarterly City of Cape Town's EPIC publication's Trade and Investment section
- Provided country-specific research to the Department of the Premier, Directorate: International Relations to support the activities of the Premier and MEC: Economic Opportunities specifically

- Completed the Invest in the Western Cape booklet
- Workshops with Trade and Investment units on research findings and identified opportunities
- Interim project management of the Cape Health Technology Park project and the Air Access: Airlift Strategy project
- Assisted with strategic film research direction and facilitated film research papers

Publications

The Wesgro Research Unit produced 116 publications during Q1-Q4 of the financial year. The following categories of publications were developed to assist in fulfilling the mandates of the agency:

- 34 Country Fact Sheets
- 5 Country-Sector Fact Sheets
- 18 Sector Fact Sheets
- 6 Destination Fact Sheets
- 6 District Fact Sheets
- 4 Region Fact Sheets
- 3 Region-Sector Fact sheets
- 40 Tourism Destination Performance publications

Publications

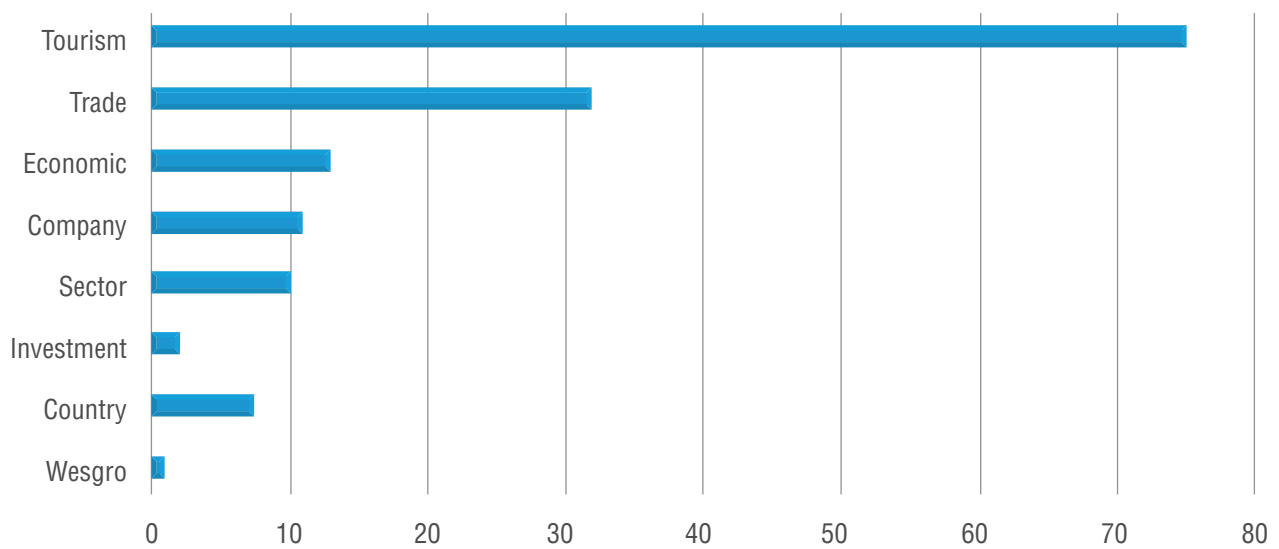
Type	Name	
Country	Angola	Mozambique
	Argentina	the Netherlands
	Austria	Nigeria
	Brazil	Peru
	Cameroon	Russia
	Canada	Saudi Arabia
	China	Singapore
	France	South Africa
	Germany	Spain
	Germany (2014 full update)	Sweden
	Ghana	Switzerland
	Hong Kong	Taiwan
	India	Tanzania
	Indonesia	Turkey
	Italy	United Arab Emirates
	Japan	United Kingdom
	Kenya	United States
Country-Sector	Angola – Food and beverages	Kenya – Food and beverages
	China – Food and beverages	Nigeria – Agribusiness
	India – Machinery and Equipment	
Destination	Doing Business in the Western Cape	Overview of the Western Cape
	Foreign Investor's Regulatory Guide	Overview of the Western Cape (updated)
	Investment in the Western Cape	Western Cape Trade
District	Cape Town	Overberg
	Central Karoo	West Coast
	Eden	Winelands

Type	Name		
Region	East Africa	South East Asia	
	South America	West Africa	
Region-Sector	Africa – Beverages	Middle East – Food and beverages	
	Africa – ICT		
Sector	Beverages	Furniture	
	Business Services	ICT	
	Clothing	Machinery and Equipment	
	Coal, Oil & Gas	Medical Devices	
	Consumer Electronics	Metals	
	Electronic Components	Pharmaceuticals	
	Film	Real Estate and Construction	
	Financial Services	Services	
	Food and beverages	Toys, games and sporting equipment	
	Tourism Regional	Q3 2013 Barometer Cape Karoo	Q3 2013 Barometer Overberg
		Q3 2013 Barometer Cape Town	Q3 2013 Barometer West Coast
		Q3 2013 Barometer Garden Route & Klein Karoo	Q3 2013 Barometer Winelands
		Q4 2013 Cape Garden Route and Klein Karoo	Q4 2013 Cape Town
Q4 2013 Cape Karoo		Q4 2013 Cape West Coast	
Q4 2013 Cape Overberg		Q4 2013 Cape Winelands	
2013 Annual Cape Karoo		2013 Annual Cape West Coast	
2013 Annual Cape Overberg		2013 Annual Cape Winelands Tourism Trends	
2013 Annual Cape Town		2013 Annual Garden Route and Klein Karoo	
Q1-Q3 2014 Cape Overberg Tourism Trends		Q1-Q3 2014 Cape Karoo Tourism Trends	
Q1-Q4 2014 Cape Town Tourism Trends		Q1-Q3 2014 Cape Garden Route and Klein Karoo Tourism Trends	
Q1-Q3 2014 Cape West Coast Tourism Trends		Q1-Q3 2014 Cape Winelands Tourism Trends	
2014 Annual Cape Garden Route & Klein Karoo Tourism Trends		2014 Annual Cape Overberg Tourism Trends	
2014 Annual Cape Karoo Tourism Trends		2014 Annual Cape Town Tourism Trends	
Q3 2013 Western Cape Tourism Trends		Q1 2014 Western Cape Tourism Trends	
Q4 2013 Western Cape Tourism Trends		Q2 2014 Western Cape Tourism Trends	
2013 Annual Western Cape Tourism Trends		Q3 2014 Western Cape Tourism Trends	
2014 Annual Western Cape Tourism Trends			
Tourism Destination Performance		Q3 2013 Destination Performance Report	Q4 2013 Western Cape Destination Performance Report
		2013 Annual Destination Performance Report	
Perception studies	Western Cape Pricing & Perception Study – Winter 2014	Western Cape Pricing & Perception Study – Summer 2014	

Information Requests

The Wesgro Research Unit completed 146 information requests from Q1-Q4 of the financial year. The average turnaround time for information requests was 2.5 days.

Enquiries by type of enquiry, Q1-Q4 2014/15



Trade and Investment Promotion Public Presentations

Event	
African Regional Planner Delegation	Japan Outward Mission
Amsterdam students	Mississippi Inward Delegation
Belgian Business Networking	Mozambique Delegation
Brazil Briefing Session	Nigeria Delegation
Burundi Business Delegation	Present to Botswana and Ghana Ambassadors Delegation
China Briefing Session	Russia Briefing session
China Business Delegation	Russian Delegation
China Wine Briefing Session	Saxony Delegation
Chinese Delegation	SEDA Presentation
Chinese Delegation	Sri Lanka Business Delegation
Doing Business In Africa	Sudan Business Delegation
DTI presentation to marketing officers	Swiss Business Delegation
Equatorial Guinea Delegation	Thailand Briefing Session
Germany Brandenburg Delegation	TNPA
Ghana Briefing Session	Turkish Delegation
Hightower Oil & Gas presentation	UK Business Delegation
India Business Delegation	United Nations Business Vendor Seminar
India Outward Mission	USB-MBA Presentation
Indian Business Delegation	World Design Capital POW-WOW

programme 5: research

Programme: Research					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of relevant tourism, trade and investment publications developed	110	115	116	+1	An additional publication was required based on the needs of the agency.
Time taken to provide customised research and information in support of the core functions of the agency within a specified turnaround time	3 days	3 days	2.5 days	-0.5 days.	The target set has been achieved
Number of economic, tourism, trade and investment presentations developed and delivered to delegations	24	24	38	+14	An increased number of requests for presentations has been received as interest in economic opportunities is growing
Quarterly update of statistical Wesgro Presentation	4	4	4	0	The target set has been achieved

The publications objective of the programme has contributed to the achievement of Wesgro by providing information in the form of publications that strategically drive the agency through the provision of information that would assist the tourism, trade and investment units on key trends and developments as related to their business activities. Furthermore, the publications are reports that are designed to inform any reader on the Province and City as a business destination and it strives to provide information that would assist the investor to consider investing in the Province and highlight opportunities relevant to the exporter. The tourism publications are designed to strategically inform the tourism industry about key trends and patterns in the industry through a demand study so as to allow businesses and members within the industry to understand the trends and react in a way that would contribute to growth of the sector.

Customised research in the form of information requests have the same objective as publications, however they are a different means of disseminating information about the Province and City. These information requests are specific questions posed to the Research Unit which then seeks to answer questions relating to tourism, trade and investment in the Western Cape.

Wesgro Research exceeded the target for publications due to urgent requests for unplanned publications. The incidence of over-performance in terms of turnaround time on customised research, was due to efficient internal processes and a consistent attitude to a fast response to requests.

Strategy to overcome areas of under performance

None required.

Changes to planned targets

None.

Linking performance with budgets

Programme	2014/2015			2013/2014		
	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	2 593	2 905	(312)	2 106	2 297	(191)
Total	2 593	2 905	(312)	2 106	2 297	(191)

bo kaap, cape town



3.6. programme 6: marketing and communications

Purpose

The purpose of this programme is twofold: firstly it is to continue growing the Wesgro profile that reflects its values to stakeholders and clients both domestically and internationally; secondly to act as a brand steward through the guiding and leading of content that positions Cape Town and the Western Cape as an effective, competitive and sustainable region to visit, live, create, invest or trade with across critical online and offline touch points.

Programme structure

The programme structure is as follows:

Inward missions and delegations assisted

The positive image of the Province and Wesgro is not only influenced by the marketing seen in the media, but also by the professionalism around the engagements clients have with us. The MCU (Marketing and Communications Unit) professionally manages all high-level engagements with top business leaders and government officials, among them the High Commissioners of Namibia and Ghana and the Ambassador of Sweden.

Strategic events

The team successfully conceptualised, managed and implemented events for Wesgro in partnership with the private sector. The success of these events once again cemented Wesgro's professional private sector focus and willingness to work with this sector. Events included Mining Indaba's Cocktail Function, Wesgro's Business Lunch and the networking function for the Council of Arab Ambassadors.

Media monitoring and liaison

The Unit successfully managed to leverage its own, paid and earned media channels with a view to driving a high return on investment and to strengthen the message of the Western Cape and Wesgro. During the period under review the Unit received publicity to the value of R21,473,076. We also engaged top media influencers in both the tourism and business sectors.

Bespoke content production and publications

To ensure a high level of engagement with our clients, Wesgro develops bespoke content and publications. This includes a cycling booklet highlighting the best road and mountain bike tracks in support of the Cycling Strategy and detailed infographics for our film promotion unit.

Strategic Objective

The strategic objective is to:

- profile and position Wesgro as a collaborative partner of the private sector and a thought leader; and
- profile and position Cape Town and the Western Cape as a sustainable business location for tourism, trade and investment.

Key activities for the year

Event	Area of focus	Outcome
CEO Business Breakfast	Tourism	High-level media and trade breakfast at Indaba 2014 to promote wine tourism
Innovation Summit	Investment promotion	Collaborative event to promote investment promotion as part of Design Capital 2014
CFO Forum Conference	Corporate services	International CFO Forum
Investing in Africa Mining Indaba 2015 (Cape Town)	Trade and investment promotion	High-level stakeholder engagement and hosting of 50 qualified investors as part of the Investment Discovery Forum
Wesgro Business Lunch	Corporate communications	agency event to discuss agency vision for 2015 and to bid farewell to outgoing CEO and welcome new CEO
Celebrating Partnerships (Luanda, Angola)	Tourism, trade and investment promotion	Highly successful event hosted in partnership with the City of Cape Town Executive Mayor

Value of media exposure for Wesgro

Medium	Total
Print media	R6 573 662
Online	R1 2097 710
Radio broadcast	R1 753 498
Television broadcast	R845 240
Total	R21 270 110

programme 6: marketing and communications

Programme: Marketing and Communications					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of strategic media releases to promote Wesgro		20	32	+12	This target has been overachieved due to the number of ad hoc requests received, including the welcoming of the new board and CEO
Rand value (AVE)	R20m	R15m	R21.27m	+R6.27m	We overachieved due to favourable exposure in the media, including the appointment of the new Board and CEO
Design and production of the Annual Report	1	1	1	-	The target set out for the period has been achieved
Number of strategic agency events hosted and co-ordinated	4	13	13	None	The target set out for the period has been achieved

The strategic objectives of media engagements and hosting of events to profile Wesgro contributed to the overall positioning and profiling of Wesgro in both the domestic and global markets. Because of our efforts we have overperformed on some of our key targets, mainly because we were able to take advantage of opportunities that presented themselves. Additional media exposure was further obtained due to the appointment of the new Board and CEO.

Strategy to overcome under performance

None required

Changes required to planned targets

None required

Linking Performance with budgets

Programme	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 & Communication	4 047	3 898	149	3 288	3 037	251
Total	4 047	3 898	149	3 288	3 037	251

3.7. programme 7: integrated destination marketing

Purpose

This programme seeks to grow the number of international and domestic tourists who enter the Western Cape with the ultimate goal of growing the economy and the number of direct and indirect jobs within the sector. We will focus our attention on enhancing the Western Cape's competitiveness within the domestic and international market with regard to leisure and business.

Programme Structure

Conference bids secured

The ability to convert a lead into a conference that takes place in the Western Cape and provides access to international markets and intelligence for local businesses and academic institutions is an important driver in terms of positioning the Province and securing economic impact. Over the period under review the Convention Bureau Unit secured 16 bids with an estimated economic impact of R271 million. The bids won are aligned to sectors our trade and investment teams focus on, showing the opportunity to cross-sell and join efforts across all agency units.

Assistance of incentive groups

The team managed to assist incentive groups from our key emerging markets. These successes have a cross-sell effort on the leisure promotions that the leisure team implements in these markets.

Strategic Events

An important part of the success of Wesgro's tourism teams are their partnerships with the private sector. These include the sponsorship of the SATSA conference, the sponsorship of JAMMS-, SMME-hosted breakfasts and the hosting of the BestCities Global Client Workshop

Joint Marketing Agreements

Strategically driven JMAs allow us to drive a high return on investment in terms of the marketing activities of our tourism teams. Examples of these include KLM and iFly magazine reaching over 5 million people in our key source markets and the Qatar Airways JMA reaching 8 million people in our key source and emerging markets.

Events

Regional events not only drive geographic spread, but also have an economic impact on businesses outside the traditional tourism channel in the towns and regions, while the larger "jewel" events assist in driving the global positioning of the Western Cape as an events destination. Over the period in review, Wesgro assisted 27 events financially and non-financially.

Strategic Objectives

The objective of this programme is to profile and position Cape Town and the Western Cape as a sustainable and competitive destination for business and leisure tourism. The objectives are:

- To secure conference bids;
- To drive attendance at the jewel and regional events;
- To secure international joint marketing agreements; and
- To give SMMEs access to markets.

Key activities for the year

Activity	Area of focus	Outcome
18 th World Conference for Physical Therapy 2017 (Bid Won)	Medical Business Tourism	Estimated economic impact: R50.5 million
KLM and iFly onboard magazine marketing campaign	International visitors	Reach: 5 million
WTM Africa and Indaba Durban Trade Shows	Trade	Platform allowing our regions and SMMEs access to international buyers
Media hosting	Traditional media	Various articles and programmes published in the media to promote the destination
#scoot62	360 media approach leveraging both traditional and non-traditional (digital and social media) for maximum exposure	Trended on social media (twitter) on Day 1 of launch, reached over 400 000 listeners daily on GHFM for a period of 4 days.

**Sub-Programmes: Convention Bureau
Conference Bids Secured**

The following is a list of Conference Bids secured during the year

No	Conference name	Estimated delegate attendance	Conference days	Conference nights	Spend per delegate per day	Estimated economic impact
1	ASSITEJ – 19 th International Association of Theatre for Children and Young People 2017	1 800	4	3	R2 800	R20 160 000
2	27 th International Nursing Research Congress 2016	800	5	4	R2 800	R11 200 000
3	World Youth and Student Travel Conference 2015	850	5	4	R2 800	R11 900 000
4	46 th Union World Conference on Lung Health 2015	2 500	5	4	R2 800	R35 000 000
5	International Conference on Luminescence and Electron Spin Resonance Dating – LED 2015	300	5	4	R2 800	R4 200 000
6	IEEE Symposium Series on Computational Intelligence 2015	700	4	3	R2 800	R7 840 000
7	11 th World Congress for Neuro-Rehabilitation 2020	2 000	6	5	R2 800	R33 600 000
8	International Federation of University Women 2015	800	7	6	R2 800	R15 680 000
9	World Congress on Endourology (WCE) 2016	1 200	4	3	R2 800	R13 440 000
10	24 th International Meeting on Advanced Spine Techniques (IMAST) 2017	1 000	5	4	R2 800	R14 000 000
11	70 th International Society of Electrochemistry (ISE) 2019	1 500	4	3	R2 800	R16 800 000
12	25 th Annual Cochrane Colloquium 2017	1 000	4	3	R2 800	R11 200 000
13	18 th World Confederation for Physical Therapy (WCPT) 2017	4 500	4	3	R2 800	R50 400 000
14	Royal College of Obstetricians & Gynaecologists (RCOG) World Congress 2017	1 500	3	2	R2 800	R12 600 000
15	SIAL Africa 1 st	1 000	3	2	R2 800	R8 400 000
16	Board of Healthcare Funders (BHF)	600	3	2	R2 800	R5 040 000
	Total	22 050	71	55	R2 800	R271 460 000

Conference Bids Submitted

The Convention Bureau submitted a total of 52 bids during the financial year. The total economic value of these bids is estimated at R799.8 million and could potentially attract 102 380 delegates. The following is a snapshot of the Conference Bids submitted:

No	Conference Name	Estimated Delegate Attendance	Conf days	Conf nights	Spend per delegate per day	Estimated Economic Impact
1	WBC – World Buiatrics Congress 2018	1500	6	5	R2 800	R25 200 000
2	WCE – World Congress on Endourology 2016	2200	4	3	R2 800	R24 640 000
3	46th Union World Conference on Lung Health 2015	1500	4	3	R2 800	R16 800 000
4	FAITA – International Federation of Freight Forwarding Congress 2015	1000	5	4	R2 800	R14 000 000
5	Cochrane Colloquium 2017	1075	4	3	R2 800	R12 040 000
6	World Congress of the International Society for Disease of the Oesophagus ISDE 2018	800	4	3	R2 800	R8 960 000
7	Rotary International Convention 2018	20 000	5	4	R2 800	R280 000 000
8	Fresh Expressions of Church Movement Conference 2015	200	5	4	R2 800	R2 800 000
9	International Society for Arthroscopy, Knee Surgery & Orthopaedic Sports Medicine (ISAKOS) 2019	3 800	5	4	R2 800	R53 200 000
10	Global Advocacy Forum 2015	50	5	4	R2 800	R700 000
11	World Confederation of Physical Therapy (WCPT) 2017	850	4	3	R2 800	R9 520 000
12	World Symposium on Denturism and Dental Technology 2017	600	4	3	R2 800	R6 720 000
13	International Cleft Conference 2016	1 000	3	2	R2 800	R8 400 000
14	The Transplantation Congress 2020	5 000	4	3	R2 800	R56 000 000
15	Open Education Consortium 2017	500	3	2	R2 800	R4 200 000

Business Tourism Platforms

The unit attended the following business tourism platforms during the financial year

Platform	Country	Date	Description
International European Association Congress	Paris	27 – 29 April 2014	Congress targeting European Meeting Planners
IMEX Frankfurt 2014	Germany	20 – 22 May 2014	Europe's worldwide exhibition for incentive travel, meetings and events
BestCities Sales Activity 2014	Switzerland	23 May 2014	BestCities Global Alliance sales activation with prospective clients
Johannesburg Sales Trip	South Africa	26 – 28 August 2014	Meetings with Professional Conference Organisers and Association Meeting Planners

Platform	Country	Date	Description
IMEX America 2014	United States	13 – 15 October 2014	America's worldwide exhibition for incentive travel, meetings and events
ICCA Annual Congress 2014	Turkey	01 – 05 November 2014	Annual Congress for members of the International Congress and Convention Association
Professional Congress Management Association (PCMA) Convening Leaders	United States	11 – 14 January 2015	Association Congress and BestCities Global Alliance Meetings
AIME 2015	Australia	24 – 25 February 2015	Asia-Pacific Meetings and Incentives Expo
Meetings Africa 2015	South Africa	24 – 26 February 2015	Trade Show

Delegate Boosting / Hosting / Lobbying / Onsite Support / Incentive

The Convention Bureau provided 30 conferences with delegate boosting, incentives and on-site support. Typically these activities include promoting the conferences to ensure maximum delegate attendance.

sub-programme: destination marketing and events

Joint Marketing Agreements (JMAs)

The following is a snapshot of JMAs:

JMA	Partner	Date of Initiation	Contribution	Regions Promoted
KLM Netherlands	KLM Royal Dutch Airlines	March 2015	R150 000	Cape Town & Western Cape
Surgical Bliss: Medical tourism in Angola	Surgical Bliss, TAAG	March 2015	R150 000	Cape Town & Western Cape
Orbitz Worldwide: Adventure tourism in the USA	Orbitz Worldwide	March 2015	R300 000	Cape Town & Western Cape
Goodluck Music: youth tourism in Singapore	Goodluck	March 2015	R60 000	Cape Town & Western Cape
Turkish Airlines: golf tourism	Turkish Airlines	February 2015	R40 000	Cape Town & Western Cape
Africa Responsible Tourism Awards	International Centre for Responsible tourism	March 2015	R25 000	Cape Town & Western Cape

Events

Event	Event Organiser	Date	Co-funding contribution/non-financial support
ATKV Oesfees	Solms Delta	March 2015	R40 000
Riebeek Valley Olive Festival	Riebeek Valley Tourism	May 2014	R50 000
Greyton Genadendal Classics for All	Greyton Tourism	May 2014	R10 000
Snoek & Patat Festival	Bergrivier Tourism	June 2014	R30 000
Knysna Oyster Festival	Knysna Tourism	July 2014	R70 000

Event	Event Organiser	Date	Co-funding contribution/non-Financial support
Bastille Festival	Franschhoek Wine Valley	July 2014	R10 000
Bergriver Winter Carnival	Bergriver Tourism	July 2014	R10 000
Bergrivier Canoe Marathon	Western cape Canoe Union	July 2014	R50 000
Wolseley Mountain Bike Race	Wolseley Tourism	July 2014	R10 000
Hermanus Times Kalfiefee	Hermanus Times	August 2014	R20 000
MrGregor Food and Wine Festival	MrGregor Tourism	August 2014	R10 000
Robertson Beer Festival	Robertson Tourism	September 2014	R20 000
Ride 2 Nowhere	Ride 2 Nowhere	September 2014	R10 000
Fynbos Fantasy and MTB	Gansbaai Tourism	September 2014	R15 000
Two Oceans Hermanus Whale Festival	Hermanus Whale Festival	October 2014	R50 000
Stilbaai Strandloper Festival	Stilbaai Tourism	October 2014	R10 000
Villiersdorp Agricultural Show	Villiersdorp Tourism	October 2014	R20 000
Robertson Wine on the River	Robertson Wine Valley	October 2014	R20 000
Barrydale in Bloom	Swellendam Tourism	October 2014	R10 000
ABSA Cape Epic	Grand Stand Management	September 2014	R300 000
Elim Heritage Festival	Elim LTO	September 2014	R30 000
Agrimega Week	Overberg Municipality	September 2014	R20 000
Tuebes Wines Festival	Cape Winelands	September 2014	R20 000
Hout Bay Seafood Festival	Hout Bay Committee	September 2014	R20 000
Marloth Trail Run Challenge	Swellendam Tourism	September 2014	R30 000
Pink Loerie	Pink Loerie Festival	August 2014	R30 000
CT Cycle Tour	Cycle Tour Trust	November 2014	R300 000
CT Intl Jazz Festival	EspAfrika	November 2014	R300 000
Volvo Ocean Race	WorldSport	October 2014	R100 000
Design Indaba	Interafrica	February 2015	R300 000
Two Oceans Marathon Expo	Two Oceans Marathon	March 2015	R100 000

Tourism Platforms

The following is a snapshot of tourism platforms

Tourism Platforms			
Platform	Country	Date	Description
WTM Africa	Cape Town, SA	2 – 3 May 2014	Reeds Travel Business to Business exhibition for the African market.
We Are Africa	Cape Town, SA	5 – 9 May 2014	Beyond Luxury travel show held at Cape Town Stadium
Indaba 2014	Durban SA	10 – 12 May 2014	The largest tourism exhibition in Africa, showcasing Southern African products
Interbike USA	Las Vegas	8 – 16 September 2014	Attended Interbike 2014 in Las Vegas to promote the resort town as a cycling destination. Met with key businesspeople in Las Vegas before travelling to New York to meet with key business and tourism role-players there
Berlin Vital, Sport and Health Fair	Berlin	22 – 26 September 2014	To promote CTWC as a destination for road and trail running and to promote the Two Oceans Marathon as an event of choice
SAT Australia Road Show	Australia & New Zealand	13 – 24 October 2014	SAT Road Show to promote CT & the WC as an adventure & wine destination in Brisbane, Melbourne, Sydney, Perth & New Zealand. We shared our platform with Franschoek Tourism
SA Tourism Netherlands Road Show	The Netherlands	26 – 31 October 2014	Road Show South. The road show introduced SA products to the Dutch travel industry and increased knowledge of Dutch consumers and their travel needs. On our side we showcased unique & new experiences and events, and inspired Dutch travel agents with our offering with which they can convince clients to visit us
WTM London	London	November 2014	To promote CTWC as a destination. We attended this show as a roving exhibition and not on the SAT platform, allowing us to hold external meetings in addition to attending the conference
Travel Turkey, Izmir	Turkey	4 – 7 December 2014	Travel Turkey, Izmir is a Tourism Fair & Conference platform. The exhibition attracts Turkish and worldwide exhibitors and visitors. To participate in B2B workshops, we met with new potential business contacts and promoted our destination

Hosting (International and Domestic Tourism)

Hosting			
Market	Delegates	Activity	Date
UK	SAT	Juan Herrada, Manager: UK Marketing & Communication Journalist complaint about Quay 4 restaurant	January 2015
UK	SAT UK	SAT UK innovative, a groundbreaking project involving the creation of immersive content for the Oculus Rift audio technology device Partnered with SAT on filming activities Table Mountain abseil, Boulders penguins, shark cage diving	21 - 26 Apr
Italy	3 crew	RAI 3 travel program “Alle falde del Kilimangiaro”. Two episodes on SA to be broadcast next autumn: one focused on Cape Town and the Western Cape, the other on Jhb and Pilanesberg N.P. Itinerary experiences and access to Table Mountain, Cape Peninsula, Cape Winelands and capturing Kirstenbosch in autumn	1 - 4 May
USA	Swain Destinations, Travel host	Wesgro support SAT USA on the trip films project. Swain destinations, a luxury operator, is partnering with SAT videographer and travel host, Kelly Ferro www.kellyferro.com and Justin Weiler videographer Justinweiler.com . Trip covered as part of USTOA travel series website and YouTube channel	3 - 5 May
France	Trade	agency management www.scienvents.com Robben Island excursion	4 May

Hosting			
Australia	Getaway crew	Getaway, holiday and travel programme Cape Winelands, Garden Route & Cape Peninsula Local operator Roots Africa Tours	12 -14 May
Germany	Editor	Christian Selz editor Junge Welt Potential storyline District Six 20 years post democracy	19 May
Italy	Journalist	Yacht Capital Magazine V&A activities & helicopter flip	21 - 22 May
SA	SAT	LGBT operators for trade	26 May
UK	Agents	Travel academy, 46 delegates from UK, Ireland, Australia, Europe (Austria, Switzerland, Germany) Welcome address – Judy Lain Dinner engagement with agents, SA trade partners and suppliers	8 – 12 June
Australia	45	SAT Australia – TV crew filming the Batchelor Australia	July 2014
Australia	9	Today Show – Australian Breakfast Show	July 2014
Switzerland	1	SA Embassy, digital marketing material	July 2014
SA	1	SAT – West Coast operator/guide	July 2014
USA	2	Hosted 2 New York Journalists	September 2014
USA	1	CTA Travel – provide destination events	August 2014
Ireland	10	SAT UK – Trade delegates, Cape Peninsula & Cape Winelands	September 2014
Ireland	4	SAT UK – Derek Mooney Irish radio station. Destination experiences whale crier, SanParks, District Six Museum interviews	September 2014
Japan	7	BS TBS TV crew together with SAT Japan	September 2014
USA	1	SAT USA – Journalist Travel & Leisure	September 2014
USA	140	SAT USA consumers (provided gifts)	September 2014
Germany	2	Blogger/Travel Reporter Germany Christoph Karrasch & cameraman Thomas Niemann Ending 10-day around the world social media trip in Cape Peninsula	October 2014
Netherlands	6	Dutch SAT Press trip – unique hidden gems, Cape Peninsula, Cape Overberg, Cape Winelands	October 2014
Switzerland, Japan, USA, France, China, Austria	10	SAT International food & wine media trip	November 2014
Germany	6	Condor Airlines/SAT Bloggers trip activities Cape Peninsula, Cape West Coast, Cape Winelands	November 2014
UK	13	Soft, moderate & extreme adventure activities in Cape Peninsula, Cape Winelands, Cape Overberg, GRKK	November 2014
Germany	2	Anja Knorr: Happybackpacker, Germany Christine, Mrs Berry, Germany	November 2014
Italy	7	Collobartion with Cape Point, Boulders Beach, Table Mountain, V&A Waterfront for WILD Oltrenatura programme	December 2014

SMME access to market

SMME platforms		
Tourism Platforms	Date	Platform Description
Cape Winelands Educational	10 - 11 April 2014	Tour operators' educational in Drakenstein sub-region of the Cape Winelands
WTM Africa	2 - 3 May 2014	Business-to-Business exhibition for the inbound and outbound African travel markets
Indaba, Durban	10 - 12 May 2014	The largest tourism marketing event on African calendar
Knysna Oyster Festival	July 2014	Green Chefs and Pop-Up
West Coast Tour Operators Educational	August 2014	Educational
Interbike Las Vegas	September 2014	Digi-guide
SIPPO Trade Mission	October 2014	Digi-guide with niche tourism experiences distributed in Austria, German and Switzerland
SAT Netherlands Roadshow	October 2014	Digi-guide with tour operators distributed during the 3-cities road show
Tsogo Sun Book-a-Guesthouse	October 2014	Induction workshop for new accommodation establishments
Turkey Travel show	December 2014	Digi-guide with tour operator profiles distributed during the tourism show in Turkey

Domestic Marketing: A snapshot of the online campaigns for the year

Campaign	Campaign Organiser	Date	Details
Cape Karoo	Wesgro	May 2014	Facebook campaign supported by Twitter
GR&KK	Wesgro	June 2014	Facebook campaign supported by Twitter
Scoot 62 Campaign Wesgro/GHFM	Wesgro	June 2014	Facebook campaign supported by Twitter
Discover Avi-tourism	Wesgro	April 2014	During this month we promoted birding and nature in the regions. We featured different types of bird species found in each region using information and images
Tourism Month 2014 Discover Communities this Tourism Month	Wesgro	September 2014	In line with the World Tourism Organisation theme, we ran a campaign highlighting our communities

Campaign	Campaign Organiser	Date	Details
Summer Campaign: 1) Responsible Travel 2) Festive Greetings 3) Happy Snappy	Wesgro	December	<p>We partnered with the Regions to promote responsible travel during summer and to assist them with the promotion of their individual campaigns. This year we have 3 elements to our campaign:</p> <ol style="list-style-type: none"> 1. We used social media to promote responsible travel, with useful hints, tips and information. in addition to promoting responsible tourism products and services in the regions 2. We sent out festive greetings, with news on events and markets taking place over the Christmas period for our domestic and international tourists to visit 3. We partnered with a company called Happy Snappy and used their postcard campaign at the Big Wheel and Table Mountain to promote our destination video using a QR code <p>Regionally we gave each region R5000 to use towards their summer welcome campaigns. We also provided them with collateral to add to their goodie bags in the form of a 'save the rhino' puzzle.</p>

programme 7: integrated destination marketing

Programme: Destination Marketing (DM)					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Number of Conference Bids secured					
Number of bids	24	16	16	None	The target set out was achieved
Number of Joint Marketing Agreements signed					
Number of JMAs	12	3	12	+9	To market the Region effectively we entered into agreements with strategic partners, which included airlines. Some of these are 6-week campaigns which have long reaching effects for the destination
Number of events supported					
Number of jewel events		7	7	None	The target set out was achieved
Number of regional events		13	24	+11	The regional events are aimed at addressing seasonality and driving feet through the regions. This was achieved by supporting a number of smaller events

Programme: Destination Marketing (DM)					
Number of e-marketing campaigns		12	14	+2	Every month we hosted an e-marketing campaign to raise awareness of a specific theme within each region. Over and above this an additional campaign was hosted to promote Tourism Month and a Summer Campaign
Number of SMMEs given access to market through marketing activities					
Number of SMMEs through marketing activities		12	12	None	The target set out was achieved
Number of SMMEs marketed through quarterly digi-books		60	183	+123	Additional trips overseas with strategic partners allowed us an opportunity to create additional digi-guides and to give more SMMEs an opportunity to be marketed internationally
JMAs signed (ring fenced)		1	1	None	The target set out was achieved

This programme has the objective to grow international and domestic tourist arrivals and thereby contribute to growing the economy of the Western Cape. We have over the year achieved all our objectives and in certain instances outperformed them

Strategy to overcome underperformance

None required

Changes required to planned targets

None required

Linking Performance with budgets

Programme	2014/2015			2013/2014		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	
Integrated Marketing	22 475	21 067	(1 408)	22 982	22 829	153
Total	22 475	21 067	(1 408)	22 982	22 829	153

3.8. programme 8: saldanha bay idz

Purpose

The purpose of the programme is to establish an Industrial Development Zone (IDZ) at Saldanha Bay as a catalyst for economic activity and job creation.

Programme structure

This programme is divided into six sub-programmes namely:

Sub-programme: Administration

The sub-programme aims to set up the key governance structures and processes for the SBIDZ, in order for it to operate under the SEZ legislative framework.

The Administration unit comprises of Supply Chain, Human Resources, Governance, Information Technology and Finance.

Sub-programme: Business Development:

The sub-programme focuses on targeting key investors in the areas of maintenance and repair, fabrication and supply and other services within the Oil & Gas and Marine Manufacturing & Repair clusters to fulfil the key strategy of the SBIDZ.

Business Development is responsible for overseeing the Business Enterprise Development function within the SBIDZ.

Sub-programme: Infrastructure Development

This programme focuses on developing the initial macro-infrastructure required to support potential investors into the SBIDZ.

Sub-programme: Stakeholder Management

This programme focuses on developing stakeholder and community relationships to facilitate the effective operations of the SBIDZ.

Stakeholder Management is responsible for overseeing the Marketing and Skills functions within the SBIDZ.

Ease of Doing Business

The sub-programme focuses on the servicing of investors within a global customer service context and is a critical component to the success of the SBIDZ in implementing an approach for the 'ease of doing business'.

Commercial

The sub-programme focuses on the commercial aspects of the programme, and more specifically on the lease and sub-leasing of property and general management of the zone

Strategic Objectives

The strategic objectives of the programme are as follows:

- Establishment of the Saldanha Bay Industrial Development Zone.
- The initial focus on the establishment of a single cluster, i.e. an Oil & Gas and Marine Manufacturing & Repair clusters by attracting investors for maintenance and repair, fabrication, supply and other services.
- The provision of a supportive infrastructure to the Oil & Gas and Marine Manufacturing & Repair clusters (eg. logistics, land availability, utilities etc.).
- The development of effective stakeholder relationships with the community, land owners, operators and regulators.

Situational Analysis

The Department of Trade and Industry, the Provincial Department of Economic Development and Tourism and the Saldanha Bay Municipality collectively aim to institute a sustainable niche industrial hub for the Oil & Gas, and Marine Manufacturing & Repair clusters in Saldanha Bay.

The SBIDZ vision is "to create an enabling environment to provide sustainable economic growth and job creation".

The SBIDZ mission is "to utilise the existing Industrial Development Zone, enabling legislation to act as a catalyst to create and sustain economic development and facilitate job creation by way of industrial investment and efficiency development in the Saldanha Bay Region".

In achieving our purpose, we will be leasing land from the IDC and the TNPA, with a view to further supporting the vision of the IDC to "be the primary driving force of commercially sustainable industrial development and innovation to the benefit of the local community, the Province, South Africa and the rest of Africa".

In order to create sustainable economic development and facilitate job creation, the SBIDZ aims to provide a competitive and highly efficient cluster that positions itself as a leading location for Oil & Gas and Marine Manufacturing & Repair activities within the African continent in response to investor demand.

In so doing, the SBIDZ will achieve the following over a 25-year period

- Focus initially on the establishment of a single cluster, i.e. The Oil & Gas and Marine Manufacturing & Repair cluster within the Saldanha Bay port precinct and surrounding areas;
- Consolidate and/or eliminate inefficient and bureaucratic administration processes;
- Provide a single point of contact for investors to address their concerns and queries;
- Provide efficient free zone operations and customs processes that facilitate timeous and cost-effective operations for both international and domestic investors;
- Provide supporting infrastructure that differentiates the cluster in Saldanha Bay from competitors (eg. logistics, land availability, utilities etc.);
- Facilitate the development of local skills to support investment attraction resulting in local job creation;
- Develop effective stakeholder relationships with all land owners, operators and regulators;
- Secure public funding to foster economic development and job creation;
- Operate as a Public Entity within the IDZ legislative framework;
- Establish effective internal business processes and business support structures to help drive the SBIDZ strategic objectives; and
- Establish a technically strong and competent establishment to effectively manage and operate the SBIDZ.

Key activities for the year

Four right of first refusal agreements were signed with both international and national companies.

A Business Forum Charter was signed with various Saldanha Bay Business Forums in November 2014.

All policies, including the Authorities Framework, Board Charters and HR Strategic Plan, have been developed and implemented. The accounting, payroll and CRM systems, including the IT architecture and infrastructure, have also been implemented.

The SBIDZ Board and Board Sub-Committees were constituted and meetings were conducted during the year.

A Supplier Awareness Day was held in Saldanha Bay in October 2014. The aim of the event was to provide all emerging and established suppliers and contractors with an understanding of the procurement and infrastructure opportunities that will be afforded to the community over the next few years.

A Skills Awareness Day was held in March 2015. The event served as a platform for training agencies to acquire a background on the SBIDZ's skills development plans for 2015.

A procurement strategy for the preparation of construction tenders was developed, including an agreement on local labour recruitment policy. This will form the basis for appointments of construction contractors going forward.

Infrastructure contracts to the value of R177 751 527.89 were committed during the 2014/15 financial year.

programme 8: saldanha bay idz

Programme: Saldanha Bay IDZ (SBIDZ)					
Key Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Maintain an operator's permit in line with IDZ legislative requirements	-	100% (1)	1	-	The target set out was achieved
Obtain registered entity status in line with IDZ legislative requirements	-	100% (1)	0%	-1	This is a Provincial initiative and we await the outcome from their legal department. In the interim we will operate as a Schedule 3C SOC.
Establish SBIDZ Board in line with IDZ legislative requirements	-	100% (1)	100% (1)	0	The Board has been established in terms of IDZ requirements and is to appoint a further two directors in line with the licence
Transition to SEZ legislative requirements in line with legislative requirements on promulgation	-	100% (1)	0%	-1	This is a Provincial initiative and we await the outcome from their legal department. In the interim we will operate as a Schedule 3C SOC.
Number of signed Right of First Refusals with potential investors	-	8	6	-2	Ten potential new investors were engaged during the year under review, of which four Non-disclosure agreements and six Right of First Refusals were signed
Number of indirect jobs facilitated	-	100	173	+73	The amount of contracts secured resulted in the additional indirect jobs
Number of business readiness achieved with SMMEs in the SBM area	-	10	11	+1	One additional SMME registered for our business readiness workshops
Number of environmental impact assessments obtained in line with legislative requirements	-	2	1	-1	The EIA for the development of the port land has been delayed due to the outcomes of specialist studies that identified and confirmed Critical Biodiversity Area. It is envisaged that this EIA will be completed by Q2 of the 2015/16 financial year

Programme: Saldanha Bay IDZ (SBIDZ)					
Key Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Percentage of developed bulk services infrastructure as outlined in year one of the bulk service infrastructure plan for the SBIDZ.	-	100%	100%	-	The target set out was achieved
Completed percentage of the IDZ infrastructure preliminary design phase	-	100%	100%	-	The target set out was achieved
Number of signed MOUs or leases with landholders, as relevant.	-	3	2	-1	MOUs secured with TNPA and TPT. The IDC and TNPA lease agreements are in the process of being finalised.
Establish a CCA with SARS	-	100% (1)	0%	-1	This KPI will only be achieved once the SEZ regulation is issued, which is still in draft. DTI competency
Number of Dti Reports in line with Dti Reporting requirements	-	4	4	-	The target set out was achieved
Number of signed charters undertaken with the SBM community	-	1	1	-	The target set out was achieved

The main objective of this programme, which was to establish the IDZ, was achieved with the awarding of a licence. The SBIDZ is in the process of establishing itself as a public entity separate from Wesgro.

Strategy to overcome underperformance

None required

Changes required to planned targets

None required

4

revenue collection

The agency received most of its R46 735 000 in funding from the Department of Economic Affairs and Tourism, with allocations divided as follows: R19 235 000 for Trade and Investment Promotion, R21 500 000 for Destination Marketing, R2 500 000 for the Cape Film Project, R500 000 for Project Khulisa and R3 000 000 for the Cape Technology Health Park. An amount of R 8 000 000 was received from the City of Cape Town.

Other income consisted of interest received from positive bank balances in Wesgro's official bank account and the Corporation of Investment account with the SA Reserve Bank. Additional income was mostly generated by activities at the Indaba international show in Durban and management fees for costs incurred for project management on behalf of the Department of Agricultural Affairs and the Department of Economic Affairs and Tourism.

Sources of Revenue	2014/2015			2013/2014		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
DEDAT: Allocation	41 235	41 235	0	41 464	44 081	2 617
DEDAT: Projects	3 300	3 000	300	0	0	0
DEDAT Film	2 500	2 500	0	2 500	2 500	0
City of Cape Town	7 565	5 940	-1 625	7 484	7 565	81
Project Funding	7 634	3 634	-3 958	0	18 168	18 168
Other Revenue	1076	1 738	12	0	1 054	1 054
Interest Received	881	893	662	1 034	1 016	-18
Total	64 190	58 982	5 209	52 482	74 384	16 668

4.1. capital investment

Capital expenditure for the financial year included the trade-in of the Agribusiness Volkswagen Polo for a Ford Eco sport, which is more equipped to travel on dirt roads, and the replacement of IT equipment – mainly laptops – in accordance with the IT replacement plan.

Capital Expenditure	2014/2015			2013/2014		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	
	359			693	1 213	(520)
Total	359			693	1 213	(520)

knysna, garden route







eunice masamba (ceo office)

part c: governance

1 introduction

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

The Western Cape Investment and Trade Promotion agency (Wesgro) was established by The Western Cape Investment and Trade Promotion agency Act, 1996 and amended by the Western Cape Investment and Trade Promotion agency Act, 2013 (Act 6 of 2013).

With effect from 1 April 2012, the agency has taken over the destination marketing function from Cape Town Routes Unlimited (CTRU). The Western Cape Tourism Act, 2004 (Act 1 of 2004) was repealed in August 2013 at the same time the Wesgro Act was amended.

The Directors of Wesgro support the principles of the King III Report on Corporate Governance for South Africa and will implement these principles where applicable and practical. Responsible corporate citizenship and sound governance practices remain one of the top priorities of the Board, its committees and management. Wesgro has also undertaken a King III self-assessment to identify areas where it can realistically effect compliance over a period of time.

2 executive authority

The Minister of Agriculture, Economic Development and Tourism, MEC Alan Winde, is the Executive Authority of the agency.

3 the accounting authority / board

Wesgro has a unitary Board with members appointed by the executive authority and the Provincial Minister responsible for Economic Development and Tourism in consultation with the Executive Mayor of the City of Cape Town. The Board consists of 15 Directors, with 10 non-executive members appointed by the Minister, two directors nominated by organised local government (one representing category B municipalities and the other representing category C municipalities) and three ex officio members (of which one senior official is nominated by the Minister and one senior official by the Executive Mayor of the City of Cape Town and the Chief Executive Officer of Wesgro).

General guidelines expected of directors are clearly set out in the Act. In terms of the Wesgro Act, the Board appoints a Chairperson from among the non-executive directors. The roles of the Chairperson and the Chief Executive Officer are separate.

Board Remuneration

In terms of the Wesgro Act, non-executive Directors are remunerated for attending Board, Committee and Special Meetings. The ex officio Directors of the Board are not remunerated.

Board Committees

The Board is authorised to form committees as and when necessary to facilitate efficient decision-making, and to assist the Board with the execution of its duties, powers and authorities. Delegating authority to Board committees or management does not mitigate or dissipate the discharge by the Board of its duties, powers and responsibilities. These committees do not perform any management functions or assume any management responsibilities.

Wesgro has 2 (two) Board committees, namely the Audit, IT and Risk Committee and the Human Resources and Remuneration Committee. The charters of each of the operational committees are available from the Secretariat on request.

Board Meetings and Attendance

The meetings of the Board of Directors and Committees are regularly scheduled with defined objectives and structured agendas. Directors are expected to participate fully, frankly and constructively in discussions and to contribute their particular knowledge, skills and abilities.

Composition of the Board

Name	Designation	Date appointed	Date resigned	Area of expertise	Other Committees or Task Teams (eg: Audit Committee/ Ministerial Task Team)	No. of meetings attended
Benjamin Kodisang	Chairman	01 June 2012	31 May 2014	Financial	Strategic Committee	2
Guy Lundy	Deputy Chairman	01 June 2012	31 May 2014	Strategy	Strategic Committee	2
Prof Anthony Black	Member	01 June 2012	31 May 2014	Economics	Strategic Committee	2
Jock McKenzie	Member	01 June 2012	31 May 2014	Business	Audit Committee	2
Ravi Naidoo	Member	01 June 2012	31 May 2014	Business	Strategic Committee	2
Bulelwa Makalima-Ngewana	Member	01 June 2012	31 May 2014	Town Planning	HR&R Committee	2
Carl Opperman	Member	01 June 2012	31 May 2014	Agriculture	Audit Committee	2
Angelo Petersen	Member	01 June 2012	31 May 2014	Human Resources	HR&R Committee	2
Theodore Yach	Member	01 June 2012	31 May 2014	Property	Strategic Committee	2
Mangaliso Mdlalo	Member	01 May 2012	31 May 2014	HR & Business	HR&R Committee	2
Deon Cloete	Member	01 May 2013	31 May 2014	Aviation	Strategic Committee	2
Alderman Gareth Bloor	Ex Officio	01 June 2012	31 May 2014	Local government		2
Solly Fourie	Ex Officio	01 June 2012		Provincial government		2
Mariette duToit-Helmbold	Member	01 June 2012	31 May 2014	Marketing	Strategic Committee	2
Paul Slack	Audit Chairman	01 June 2012		Audit	Audit Committee	2
Danny Naidoo	Audit Deputy Chairman	01 June 2012		Audit	Audit Committee	2
Prof Brian Figaji	Chairman	01 August 2014		Business		6
Michael Spicer	Deputy Chairman	01 August 2014		Business		6
Chris Whelan	HR&RC Chairman	01 June 2014		Strategy	HR&R Committee	10
Ian Bartes	Audit Chairman	01 June 2014		Business	Audit Committee	9
Peter Hurst	Member	01 June 2014		Trade	Audit Committee	6
David Green	Member	01 August 2014		Business	Audit Committee	8
Paul Bannister	Member	01 June 2014		Marketing		9
Tim Harris	Ex-Officio	01 June 2014	28 February 2015			7
Lance Greyling	Ex Officio	01 March 2015				0
Andrea Böhmert	Member	01 August 2014		Investment	HR&R Committee	7

Bulelwa Makalima-Ngewana	Member	01 August 2014		Business	HR&R Committee	7
Cllr Wessie v d Westhuizen	Member	01 August 2014				5
Cllr Francois Schippers	Member	01 August 2014				2
Solly Fourie	Ex Officio	01 June 2014				6
Paul Slack	Audit Committee Chairman	01 June 2014				4
Danny Naidoo	Audit Committee Member	01 June 2014				4

Committees

Committee	No. of meetings held	No. of members
Human Resources and Remuneration Committee	3	3
Audit Committee	4	5

Remuneration of board members

Name	Remuneration	Other allowances	Other reimbursements	Total
Chairman	R4 344	N/A	N/A	R4 344
Deputy Chairman	R3 688	N/A	N/A	R3 688
Member	R3 232	N/A	N/A	R3 232

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 risk management is integrated into management processes. Risk control strategies and policies have been put into place to ensure that all risks are managed in an integrated manner. The Board is accountable for insuring that the risk management process is in place and is 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. Major risks that could influence 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 Committee. Corrective actions are taken to address control deficiencies and improve the systems as identified. The Board, through the Audit Committee, provides

oversight to the financial reporting processes and internal controls. There are inherent limitations in 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 and audit committees

The Audit Committee (which includes Risk and Information Technology) constitutes 3 (three) non-executive directors and 2 (two) independent members. The Committee is chaired by Mr Ian Bartes and Wesgro CEO Tim Harris is an ex officio member.

The purpose of this Committee is to assist management in fulfilling their oversight responsibility for information technology issues, the financial reporting process, the system of internal control, the audit process, the statutory process for monitoring compliance with laws and regulations, the system of internal control over predetermined objectives and the code of ethics and business conduct.

See table below for relevant information on Audit Committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ian Bartes		External	N/A		N/A	3
David Green		External	N/A		N/A	2
Peter Hurst		External	N/A		N/A	1
Danny Naidoo	CA	External	N/A	01 June 2014	N/A	4
Paul Slack	CA	External	N/A	01 June 2014	N/A	4

7 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. There is a code of conduct/ethics in place. The directors are requested to declare their interests at every Board meeting and a 'declaration of interest' register is circulated at every Board meeting for confirmation, with the signed copy kept by the Secretariat. The Board is the custodian of ethics and business conduct, maintaining a positive and ethical working climate that is conducive to attracting, retaining and motivating a diverse group of employees. In addition, the Chief Executive Officer fosters a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility objectives and imperatives. A code of conduct for employees has been formulated, which employees have been appropriately advised about and made aware of.

8 company / board secretary

The role of the Secretariat has been acknowledged to embrace amongst 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 the 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 as a whole 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; and
- The Secretariat is responsible for co-ordinating performance evaluation of the Board of Directors.

9 audit committee report

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices

The Effectiveness of Internal Control

Our review of the findings of the Internal Audit, which was based on the risk assessments conducted in the public entity, revealed certain weaknesses, which were then raised with the public entity.

The following internal audit was completed during the year under review:

- Financial discipline review
- Pre-determined objectives
- Human resources review
- Supply chain management review
- Follow up on previous queries and findings

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to the Executive Authority.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the public entity.

Auditor's Report

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Ian Bartes

Chairperson of the Audit Committee

Wesgro

31 July 2015

10

materiality and significance framework

Having taken into account the following factors:

- The nature of Wesgro's business;
- Statutory requirements affecting Wesgro;
- The inherent and control risks associated with Wesgro; and
- Quantitative and qualitative issues;

The Board (Accounting Authority) has assessed the level of materiality and significance to be as follows:

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
50(1)(c)	The Board must on request, disclose to the executive authority responsible for the Board or to the legislature to which it is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or that legislature	The Board will disclose to the executive authority or the legislature, all material facts as requested and all material facts not requested, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or legislature, at the discretion of the Board

Section of PFMA	Description of materiality and significance	Levels of materiality and significance
55(2)	<p>The annual report and financial statements must include particulars of:</p> <ul style="list-style-type: none"> (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; (ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; (iii) any losses recovered or written off; and (iv) any financial assistance received from the state and commitments made by the state on the Board's behalf 	<ul style="list-style-type: none"> (i) All instances of amounts greater than 1% of total operations budget will be included in the Board's Annual Report (excluding staff remuneration) (ii) All instances will be included in the Board's Annual Report (iii) All instances will be included in the Board's Annual Report – amount greater than 1% of total operations budget (excluding staff remuneration) (iv) All instances will be included in the Board's Annual Report
54(2)	<p>Before concluding any of the following transactions, the Board must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:</p> <ul style="list-style-type: none"> (i) establishment or participation in the establishment of a company; (ii) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; (iii) acquisition or disposal of a significant shareholding in a company; (iv) acquisition or disposal of a significant asset; (v) commencement or cessation of a significant business activity; and (vi) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement 	<ul style="list-style-type: none"> (i) Each and every instance (ii) Each and every instance (iii) Each and every instance (iv) Above R500 000 (v) Each and every instance (vi) Each and every instance
56(1)	<p>The accounting authority for a public entity may –</p> <ul style="list-style-type: none"> (a) in writing delegate any of the powers entrusted or delegated to the accounting authority in terms of this Act, to an official in that public entity; or (b) instruct an official in that public entity to perform any of the duties assigned to the accounting authority in terms of this Act 	<ul style="list-style-type: none"> (a) Only instances excluded from Delegation of Authority Framework (b) Only instances excluded from Delegation of Authority Framework
56(2)	<p>A delegation or instruction to an official in terms of subsection –</p> <ul style="list-style-type: none"> (a) is subject to any limitations and conditions the accounting authority may impose; (b) may either be to a specific individual or to the holder of a specific post in the relevant public entity; and (c) does not divest the accounting authority of the responsibility concerning the exercise of the delegated power of the performance of the assigned duty 	<ul style="list-style-type: none"> (a) Only instances excluded from Delegation of Authority Framework (b) Only instances excluded from Delegation of Authority Framework (c) Only instances excluded from Delegation of Authority

franschhoek, cape winelands







from left to right: gysbert verwey (finance) and nombongo manana (human resource)

part d: human resource management

1 introduction

The human resources sub-programme will ensure all legislative compliance and the agency's maintenance of a world-class, skilled workforce. The agency's biggest asset lies in its human capital and the knowledge of its people. Retaining Wesgro employees will ensure effective delivery of the agency's services as well as optimal customer service delivery.

Key activities for the year

The agency has seen twelve resignations during the financial year. Twelve contracts of employment have expired, among them Interns, the City of Cape Town project and the Chief Executive Officer. The agency has filled twenty-one positions.

The agency finalised the performance reviews for the 2013/14 period and performance bonuses were approved and presented by the Wesgro Board. These bonuses were paid once the external audit process was concluded and signed off.

The agency's new Board was appointed by September 2014. Management conducted an annual review of all policies. The Human Resources and Remuneration Charter was reviewed and approved by the Board.

The agency has an Organisational Development programme which has been rolled out for the financial year with quarterly feedback to the Human Resources and Remuneration Committee. The feedback includes interventions which address various operational, communication and performance related initiatives.

As the agency is a designated employer in terms of the Employment Equity Act, 1998 (Act 55 of 1998 as Amended) and Section 21, it is required to submit a report to the Director General annually on the first working day of October or by 15 January of the following year. This has been fully complied with and the agency's Employment Equity Report 2014-15 was submitted.

The employment status of gender and employment equity and the following vacancies table include the head count of pilot projects funded by the City of Cape Town and the Agribusiness units. However, the personnel cost reflected does not include these units as these are project funded.

2 human resource oversight statistics

Personnel Cost by programme

Programme	Total expenditure for the entity	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
Corporate Services	4 542 590	20%	9	504 732
Investment Promotion	2 198 550	10%	6	366 425
Marketing and Communication	1 904 658	8%	6	317 443
Trade Promotion	2 830 213	12%	7	404 316
Executive Management Unit	3 955 033	17%	6	659 172
Research	1 832 075	8%	5	366 415
Leisure Marketing	1 462 459	6%	3	487 486
Conventions Bureau	2 805 355	12%	7	400 765

Programme	Total expenditure for the entity	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
Corporate Services CTRU	1 299 548	6%	5	259 910
Interns	171 937	1%	6	28 656
Temporary Staff	5 640	0%	3	1 880
Total	23 008 057	100%	63	3 795 320

*Includes actual performance bonus and leave paid out.

*Excludes movement on provision for leave and provision for performance bonus.

*Personnel costs do not include project funding or project positions.

Personnel cost by salary band

Level	Personnel expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
Top Management	3 023 760	13%	2	1 511 880
Senior Management	3 649 871	16%	5	729 974
Professional/ Qualified	7 935 090	34%	16	495 943
Skilled	5 097 915	22%	16	318 620
Semi-skilled	3 123 845	14%	15	208 256
Unskilled	171 937	1%	6	28 656
Temporary Staff	5 640	0%	3	1 880
Total	23 008 057	100%	63	50 667

Personnel Salaries, Provident Fund, Medical Aid and UIF (by salary band)

Programme	Salaries		Medical Aid	
	Amount	% of Personnel Cost	Amount	% of Personnel Cost
Top Management	2 516 881	10,94%	12 000	0,05%
Senior Management	3 094 201	13,45%	20 000	0,09%
Professional/ Qualified	6 422 657	27,91%	175 090	0,76%
Skilled	4 066 588	17,67%	160 808	0,70%
Semi-skilled	2 500 252	10,87%	96 775	0,42%
Unskilled	169 938	0,74%	0	0,00%
Temporary Staff	5 640	0,02%	0	0,00%
Total	18 776 157	81,58%	464 499	2,02%

Programme	Provident Fund		UIF	
	Amount	% of Personnel cost	Amount	% of Personnel Cost
Top Management	132 523	0,58%	3 718	0,02%
Senior Management	303 677	1,32%	8 031	0,03%
Professional/Qualified	868 199	4,61%	30 589	0,13%
Skilled	624 319	3,05%	29 149	0,13%
Semi-skilled	368 786	2,26%	27 478	0,12%
Unskilled	0	0,00%	1 999	0,01%
Temporary Staff	0	0,00%	0	0,00%
Total	2 297 504	11,81%	100 964	0,44%

Performance Rewards

Programme	Personnel Expenditure	% of performance rewards to total personnel cost (R'000)
Top Management	358 638	1,56%
Senior Management	223 962	0,97%
Professional/Qualified	438 555	1,91%
Skilled	217 051	0,94%
Semi-skilled	130 553	0,57%
Unskilled	0	0,00%
Total	1 368 758	5,95%

Training Costs

Programme	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Corporate Services	4 542 590	32 704,54	0,01	5	6 540,91
Investment Promotion	2 198 550	23 825,00	0,01	2	11 912,50
Destination Marketing (Leisure and Marketing)	3 367 116	17 880,00	0,01	2	8 940,00
Trade Promotion	2 830 213	41 970,00	0,01	3	13 990,00
Executive Management Unit	3 955 033	22 149,00	0,01	5	4 429,80
Wesgro IQ	1 832 075	14 770,00	0,01	1	14 770,00
Conventions Bureau	2 805 355	0,00	0,00	0	0,00
Corporate Services CTRU	1 299 548	0,00	0,00	0	0,00
Interns	171 937	0,00	0,00	0	0,00
Total	23 002 417	153 298	0,01	18	60 583

Leave Pay-outs

Reason	Total Amount	Number of employees	Average payment per employee
Leave payout on termination of service	213 478	13	16 421

Employment and vacancies

Programme	2013/2014 No. of Employees	2013/2014 Approved Posts	2014/2015 Approved Posts	2014/2015 No. of Employees	2014/2015 Vacancies	% of vacancies
Corporate Services	11	11	11	9	2	18%
Investment Promotion	5	11	11	7	4	36%
Marketing and Communication	7	7	7	5	2	29%
Trade Promotion	9	9	12	9	3	25%
Executive Management Unit	5	6	5	6	-1	-20%
Research	6	6	6	6	0	0%
Leisure Marketing	6	6	6	6	0	0%

Programme	2013/2014 No. of Employees	2013/2014 Approved Posts	2014/2015 Approved Posts	2014/2015 No. of Employees	2014/2015 Vacancies	% of vacancies
Conventions Bureau	7	7	7	6	1	14%
*BICT/E-Business	1	1	0	0	0	0%
*Corporate Services CTRU	8	15	12	6	6	50%
*Saldanha	13	13	0	0	0	0%
*Projects	6	7	4	2	2	50%
Agribusiness	1	3	3	1	2	67%
Total	85	102	84	63	21	25%

* Saldanha has moved out of Wesgro

* BICT/E-Business no longer exist

* Corporate Services CTRU staff are being absorbed into other units

* Projects recruitment decreased from 7 to 4

* Approved number of posts for 2014/15 is 84

Programme	2013/2014 No. of Employees	2013/2014 Approved Posts	2014/2015 Approved Posts	2014/2015 No. of Employees	2014/2015 Vacancies	% of vacancies
Top Management	2	2	2	2	0	0%
Senior Management	5	10	8	5	3	50%
Professional/ Qualified	19	24	20	16	4	29%
Skilled	17	17	19	16	3	6%
Semi-skilled	17	18	20	15	5	17%
Unskilled	5	8	8	6	2	25%
Saldanha	13	13	0	0	0	0%
Projects	6	7	4	2	2	71%
Agribusiness	1	3	3	1	2	67%
Total	85	102	84	63	21	25%

Employment Changes

Provide information on changes in employment over the financial year. Turnover rates provide an indication of trends in employment profile of the public entity.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of period
*Top Management	2	1	1	2
Senior Management	5	1	1	5
*Professional/Qualified	29	4	17	16
*Skilled	17	4	7	14
Semi-skilled	23	6	9	20
Unskilled	9	6	9	6
Total	85	22	44	63

*Expiry of contracts are included

*Projects positions are included

*Internal promotions

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	12	48%
Dismissal	1	4%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	12	48%
Other	0	0%
Total	25	100%

Expiry of contracts include Interns, City of Cape Town, Agribusiness and short-term contracts

One employee's contract of employment was not renewed

Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Number
Verbal Warning	3
Written Warning	2
Final Written warning	1
Dismissal	1

Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	1	1
Senior Management	0	2	0	1	0	0	1	1
Professional/Qualified	3	4	4	4	1	1	4	2
Skilled	2	1	2	2	0	1	0	0
Semi-skilled	1	2	3	3	0	0	0	0
Unskilled	3	3	0	0	0	0	0	0
Total	9	12	10	11	1	2	6	4

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	2	1	1	0	0	3	2
Professional/Qualified	0	3	3	2	3	3	1	1
Skilled	3	2	6	6	0	0	2	2
Semi-skilled	6	5	6	6	1	1	0	0
Unskilled	2	3	0	2	0	0	0	0
Total	11	15	16	17	4	4	6	5

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	1	1	1
Professional/Qualified	0	1	2	2
Skilled	3	2	8	6
Semi-skilled	6	5	6	6
Unskilled	2	0	0	0
Total	11	9	17	15

Key performance indicators, planned targets and actual achievements

Programme: Financial Management					
Strategic objectives	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comments on deviations
Percentage of training needs identified and addressed for the financial year within budget constraint	100%	100%	100%	0	None
All formal disputes and grievances resolved within 90 days of receipt.	90 days	90 days	90 days	0	None
Staff Performance Agreements of full staff compliment signed bi-annually on 30 September 2013 and 31 March 2014 in line with the Performance management policy.	30 September and 31 March	30 September and 31 March	30 September and 31 March	0	None
Annual internal review of all Corporate services policies, including all HR and Finance policies to ensure full compliance with all statutory requirements for the financial year	1	1	1	0	None

cape karoo





part e: audited annual financial statements
for the year ended 31 March 2015

general information

For the year ended 31 March 2015

Registered Name:	The Western Cape Tourism, Trade & Investment Promotion agency
Country of incorporation and domicile:	South Africa
Legal form of entity:	Listed Schedule 3C Provincial Public Entity
Registration Number (if applicable):	N/A
Nature of business and principal activities:	The official tourism, trade and investment promotion agency for the Western Cape.
Non-executive Directors:	Brian Figaji Michael Spicer David Green Bulelwa Makalima-Ngewana Andrea Bohmert Peter Hurst Paul Bannister Haroon Borat Ian Bartes Chris Whelan Francois Schippers Wessie van der Westhuizen
Business address:	18th Floor, South African Reserve Bank Building, 60 St George's Mall, Cape Town, 8001
Postal address:	P O Box 1678 Cape Town 8000 South Africa
Telephone:	+27 21 487 8600
Fax:	+27 21 422 0479
Email:	melanie@wesgro.co.za
Website:	www.wesgro.co.za
Banker:	Standard Bank South Africa
External Auditors:	Auditor - General of South Africa
Company/Board Secretary:	Melanie Guentel

table of contents

statement of responsibility	97
report of the auditor-general	98 – 100
statement of financial position	101
statement of financial performance	102
statement of changes in net assets	103
statement of cash flows	104
statement of comparison of budget and actual amounts	105
notes to the annual financial statements	106 – 130
annexure 1 – deferred income	131 – 139

pages 131 – 139 are not part of the annual financial statements and are not audited.

Wesgro statement of responsibility

for the year ended 31 March 2015

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.

Currently the recognition and measurement principles in the above GRAP Standards do not differ or result in material differences in items presented and disclosed in the annual financial statements.

In addition, the financial statements have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements 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 Office of the Auditor-General 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 no reason to believe that the agency will not be a going concern for the foreseeable future.

Subsequent Event

The directors are not aware of any matter or circumstances arising since the end of the financial year until the date of the report of the Auditor-General other than raised in note 32.

The annual financial statements as set out on pages 101 to 130 for the year ended 31 March 2015, were approved by the Board of Directors in terms of section 51 (1) (f) of the PFMA and signed on its behalf by:



Mr Brian Figaji

Chairperson

Board of Directors



Mr Timothy Harris

Chief Executive Officer

Wesgro

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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Western Cape Tourism, Trade and Promotion Agency set out on pages 101 to 130, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Tourism, Trade and Promotion Agency as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Subsequent event

8. With reference to note 24 under "legal proceedings" in the financial statements, the agency was a defendant in a law suit which originated in June 2009 when a claim of R2,7 million for defamation of character of the former COO of Cape Town Routes Unlimited was instituted.

As indicated in note 32, subsequent to year-end the agency paid the defendant R100 000 in full and final settlement of the pending proceedings.

Transfer of functions

9. Note 10 to the financial statements indicates that Wesgro transferred the functions of the Saldanha Bay Industrial Development Zone project, together with an amount of R203,9 million to a newly formed company which started operating on 1 April 2014.

Additional matter

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

Unaudited supplementary schedules

11. The supplementary information set out in Annexure 1 on pages 131 to 139 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2015:

- Programme 7: Integrated destination marketing on pages 67 to 68
- Programme 8: Saldanha Bay Industrial Development Zone on pages 71 to 72

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

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

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

17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 7: Integrated destination marketing
- Programme 8: Saldanha Bay Industrial Development Zone

Additional matters

18. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

19. Refer to the annual performance report on pages 30 to 72 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for programme 7: Integrated destination marketing and programme 8: Saldanha Bay Industrial Development Zone. As management subsequently corrected the misstatements, no material findings were raised on the usefulness and reliability of the reported performance information.

Compliance with legislation

21. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows.

Financial statements

22. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

23. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

Financial and performance management

24. Management did not implement adequate controls during the financial year-end process to prevent and or detect the material misstatements identified by the auditors relating to:

- the statement of comparison of budget and actual amounts
- contractual commitment and related party disclosure notes

Auditor-General

Cape Town

29 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Wesgro

statement of financial position

as at 31 March 2015

	Notes	2015 R'000	2014 R'000
Assets			
Non-current assets		31,346	30,117
Plant and equipment	2	3,516	4,436
Intangible assets	3	80	308
Investment	4	27,207	24,830
Trade and other receivables	5	543	543
Current assets		24,124	226,997
Trade and other receivables	5	112	3,801
Pre-payments	6	4,471	5,063
Cash and cash equivalents	7	19,541	218,133
TOTAL ASSETS		55,470	257,114
Liabilities			
Current liabilities		19,154	223,272
Employee benefits	8	2,447	3,028
Trade and other payables	9	1,745	1,566
Other financial liability	10	-	208,968
Operating lease liability	11	226	236
Deferred income	12	14,736	9,474
Non-current liabilities			
Operating lease liability	11	1,063	918
TOTAL LIABILITIES		20,217	224,190
NET ASSETS		35,253	32,924
CAPITAL AND RESERVES			
Accumulated surplus		35,253	32,924
TOTAL CAPITAL AND RESERVES AND LIABILITIES		55,470	257,114

Wesgro

statement of financial performance

for the year ended 31 March 2015

	Notes	2015 R'000	2014 R'000
Revenue			
Transfers and subsidies (Non-exchange transactions)	13	56,351	72,315
Other revenue (Exchange transactions)	14	2,402	2,071
TOTAL REVENUE		58,753	74,386
Gains on disposal of assets	15	48	-
Fair value gain on put option	4	2,377	-
TOTAL INCOME		61,178	74,386
Expenditure			
Administrative expenses	16	2,792	3,157
Staff costs	17	23,175	24,940
Marketing costs	18	6,347	7,130
Audit fees (external)	19	1,091	822
Workshops, seminars & events)	20	2,754	1,003
Project expenses	21	9,176	20,669
Other operating expenses	22	13,515	14,228
Loss on disposal of assets	15	-	12
Impairment loss on put option	4	-	3,542
TOTAL EXPENDITURE		58,850	75,503
SURPLUS/(DEFICIT) FOR THE YEAR		2,328	(1,117)

Wesgro

statement of changes in net assets

for the year ended 31 March 2015

	R'000
Balance at 1 April 2013	36,658
Transfer of surplus funds	(2,617)
Deficit for the year	(1,117)
Balance as at 31 March 2014	32,924
Transfer of surplus funds	-
Surplus for the year	2,328
Balance as at 31 March 2015	35,252

Wesgro

statement of cash flows

for the year ended 31 March 2015

	Notes	2015 R'000	2014 R'000
Cash flows from operating activities			
Cash receipts from funders		55,173	264,924
Cash paid to suppliers and employees		(254,543)	(70,640)
Cash generated from operations	23	(199,370)	194,284
Interest received		893	1,016
Loss on foreign exchange		(5)	(6)
Net cash inflows from operating activities		(198,482)	195,294
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of: Plant and equipment		445	72
Acquisition of: Plant, equipment and intangible assets		(555)	(3,571)
Net cash outflows from investing activities		(110)	(3,499)
Net increase/(decrease) in cash and cash equivalents		(198,592)	191,795
Cash and cash equivalents at the beginning of the year		218,133	26,338
Cash and cash equivalents at end of the year	7	19,541	218,133

Wesgro

statement of comparison of budget and actual amounts

for the year ended 31 March 2015

	R'000	R'000	R'000	R'000	R'000
	Original Total	Budget adjustment	Final budget	Actuals on comparable basis	Variance
Revenue					
Transfers and subsidies (Non-exchange transactions) on-exchange transaction)	46,800	375	47,175	56,469	(9,294)
Other revenue (Exchange transactions)	1,876	-	1,876	2,347	(471)
TOTAL REVENUE	48,676	375	49,051	58,816	(9,765)
Gains on disposal of assets	-	-	-	437	(437)
TOTAL INCOME	48,676	375	49,051	59,253	(10,202)
Expenditure					
Administrative expenses	1,770	619	2,389	3,136	(747)
Staff costs	30,155	(7,281)	22,874	23,156	(282)
Marketing costs	3,073	3,434	6,507	5,596	911
Audit fees	1,429	-	1,429	1,091	338
Workshops, seminars & events	1,734	1,906	3,640	2,924	716
Project expenses	-	-	-	8,489	(8,489)
Other operating expenses	10,515	1,338	11,853	10,923	930
Total expenditure	48,676	16	48,692	55,315	(6,623)
SURPLUS/(DEFICIT) FOR THE YEAR	-	359	359	3,938	(3,579)
Capital expenditure	-	359	359	(545)	186
SURPLUS FOR THE YEAR	-	-	-	3,393	(3,393)

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. Due to savings in some of the departments the agency performed a rebudgeting exercise and adjusted the initial approved budget. All changes to the initial budget were approved by the Accounting Authority.

Refer note 29 for reconciliation of actual results to adjusted actuals for budget comparison. Adjusted from accrual basis accounting to cash basis. The budget is compiled on a cash basis.

Refer note 33 for detail relating to material variances on budget adjustments and variances between budget and actual amounts.

Material variances are considered to be any variances greater than R588,000 which is 1% of total expenditure.

Wesgro

notes to the annual financial statements

for the year ended 31 March 2015

Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP) as issued by the Accounting Standards Board. Where Standards of GRAP are not available, International Financial Reporting Standards (IFRS) have been applied.

The following Standards of GRAP and IFRS 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 Economies
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 19: Provisions, Contingent Liabilities and Contingent Assets
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 (prior year IAS19 Employee Benefits)
GRAP 26: Impairment of cash – generating assets
GRAP 100: Non-current Assets Held for Sale and Discontinued Operations
GRAP 101: Agriculture
GRAP 102: Intangible Assets
GRAP 103: Heritage assets (not applicable)
GRAP 104: Financial Instruments
IFRS 3: Business combinations

Standards of GRAP issued, but not yet effective

The agency has not early adopted the following standards of GRAP which have been issued but are not yet effective:

Standard/ Interpretation:

Effective date:

Years beginning on or after

GRAP 18: Segment Reporting	01 April 2015
GRAP 105: Transfer of functions between Entities under common control	01 April 2015
GRAP 106: Transfer of functions between Entities not under common control	01 April 2015
GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements	01 April 2015
GRAP 20: Related Party Disclosure	no effective date

Management has considered the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of the standards will not have a material impact on the financial statements of the agency.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

1.2 Revenue

1.2.1 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 the 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 measurable until all contingencies relating to the sale have been resolved.

Membership income

Private sector membership 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 Income

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.

1.2.2 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.

Grants, donations and funding

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. Government 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.

1.3 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.

1.4 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 assets on initial recognition.

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

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

1.4 Financial Instruments (continued)

Derivatives

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

- i. Its value changes in response to the change in a specified interest rate, financial instrument price, commodity 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 variable is not specific to a party to the contract;
- ii. 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 changes in market factors; and
- iii. It is settled at 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:

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

Financial instruments at cost

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

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 of financial assets and liabilities

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
 - i Has transferred substantially all the risks and rewards of the asset; or
 - ii Has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

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

1.5 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 straight-line method, based on the following useful lives:

Useful lives

Computer equipment	3 years
Furniture & fittings	6 years
Office equipment	5 years
Vehicles	5 years
Leasehold Improvements	Term of lease

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 a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted 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.

1.7 Intangible assets

Computer software is acquired by Wesgro, which have finite useful lives, and measured at cost less accumulated amortisation and accumulated impairment losses.

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 that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Computer software	-	2 years
-------------------	---	---------

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

1.8 Impairment

Impairment of financial assets

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. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of financial performance is removed from equity and recognised in the statement of financial performance. Impairment losses on equity investments are not reversed through the statement of financial performance; increases in their fair value after impairment are recognised directly in equity.

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.

1.9 Cash and Cash equivalents

Cash and cash equivalents comprise of cash and short-term (less than three months), liquid investments that are held with Standard 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.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

1.10 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 24.

1.11 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.12 Foreign currency translation

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 the statement of financial performance.

1.13 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.

1.14 Taxes

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.

1.15 Employee benefits

Short term benefits

The cost of short term benefits (those payable in 12 months after 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 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 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.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

Defined Contribution Plan

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 group'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.

1.16 Significant judgements and estimates

Significant accounting judgements, impairment of plant and equipment, estimates and assumptions

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.

Plant and equipment

Useful life and residual values of assets.

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 judgements 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 4.

1.17 Presentation of budget information in the financial statements

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

1.18 Transfer of functions between entities under common control

Transfers of functions between entities under common control are accounted for by the acquirer by recognising assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Any difference between the assets and liabilities recognised and consideration paid, if any, is recognised in accumulated surplus or deficit.

The carrying amount of an asset acquired, or a liability assumed is the amount at which the asset or liability is recognised by the transferor in its statement of financial position as of the transfer date.

The acquirer shall subsequently measure any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.

1.19 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.

1.20 Irregular, fruitless and wasteful expenditure

- Unauthorised expenditure means:
- The overspending of a unit within the agency; and

Or expenditure that was not made in accordance with the purpose of the specific unit.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party, authorised by the Executive Authority or funded from future budgeted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- The Public Finance Management Act; and
- The National Treasury Regulations.

Irregular expenditure is treated as expenditure in the income statement until such expenditure is either not condoned by Provincial Treasury. At this point it is treated as a current asset until it is recovered from a third party.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party except for instances that could not be provided for.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

2 Plant and equipment

	Leasehold Improvements	Computer Equipment	Furniture Fittings	Office Equipment	Vehicles	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Carrying amount at 31 March 2014	1,825	654	1,192	163	602	4,436
Gross carrying amount	1,856	1,641	1,569	646	877	6,589
Accumulated depreciation	(31)	(987)	(377)	(483)	(275)	(2,153)
- Additions	-	283	-	39	233	555
- Depreciation	(371)	(313)	(219)	(58)	(152)	(1,113)
- Disposals	-	(136)	(46)	(23)	(157)	(362)
- Carrying Amount	-	(151)	(46)	(23)	(294)	(514)
- Accumulated Depreciation	-	15	-	-	137	152
Carrying amount at 31 March 2015	1,454	488	927	121	526	3,516
Gross carrying amount	1,856	1,775	1,524	660	817	6,632
Accumulated depreciation	(402)	(1,287)	(597)	(539)	(291)	(3,116)

Assets with a cost price of R438,409 have been fully depreciated, but are still in use (2014: R974,649)

	Leasehold Improvements	Computer Equipment	Furniture Fittings	Office Equipment	Vehicles	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Carrying amount at 31 March 2013	-	629	254	132	785	1,800
Gross carrying amount	-	1,443	992	603	915	3,953
Accumulated depreciation	-	(814)	(738)	(471)	(130)	(2,153)
- Additions	1,856	381	1,079	88	-	3,404
- Depreciation	(31)	(342)	(75)	(53)	(183)	(684)
- Disposals	-	(14)	(66)	(4)	-	(84)
- Carrying Amount	-	(100)	(320)	(34)	-	(454)
- Accumulated Depreciation	-	86	254	30	-	370
Carrying amount at 31 March 2014	1,825	654	1,192	163	602	4,436
Gross carrying amount	1,856	1,524	1,520	623	741	6,264
Accumulated depreciation	(31)	(987)	(377)	(483)	(275)	(2,153)
Reclassification (refer to note 34)	-	117	49	23	136	325

Included in the depreciation of R685,649 is depreciation of R113,917 attributable to assets used for the Saldanha IDZ Feasibility Project. Refer note 21. Tenant installation received from owner for leasehold improvements. Refer note 11.

Assets with a cost price of R974,649 have been fully depreciated, but are still in use.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

	2015	2014
	R'000	R'000
3 Intangible assets		
Computer software		
Opening carrying value 1 April	308	352
Additions	-	167
Disposals at book value	(35)	-
Amortisation charge	(193)	(211)
Carrying amount at 31 March	80	308
Cost	569	569
Accumulated amortisation	(489)	(296)
Reclassification (refer to note 35)	-	35

Software with a cost price of R306,625 has been fully depreciated, but are still in use (2014: R123,086).

4 Investment in Cape Town Film Studios (Pty) Ltd.		
Fair value through profit and loss investment		
Opening Balance	1	1
Impairment loss	-	-
Closing balance	1	1
Put option on fair value through profit and loss investment		
Opening Balance	24,829	28,371
Fair value gain/(Impairment loss on investment)	2,377	(3,542)
Closing balance	27,206	24,829
Total investment value	27,207	24,830

Fair value through profit and loss 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 cash flow 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's estimate of the fair value for this unquoted equity investment.

The investment is impaired should the fair value determined at year-end be lower than that previously recorded. Any impairment is recognised in the statement of financial performance in the year in which it is impaired.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

4 Investment in Cape Town Film Studios (Pty) Ltd. (continued)

Put option on fair value investment

The put option over the shares held in CTFS is classified as a financial asset at fair value. The Black-Scholes valuation model was utilised in determining the fair value of the put option on the investment in CTFS.

The agency has a put option agreement with CTFS, which is secured by two other shareholders, Videovision Dreamworld (Pty) Limited and Sabido Investments (Pty) Limited. The put option has a strike price of R30 million and is exercisable at the election of Wesgro should certain conditions, as specified in section 4 of the heads of agreement, be met. Those conditions being:

- CTFS fails to achieve the Practical Completion of the Start-up Phase within 15 months of Commencement of Construction or Dreamworld has not incurred capex equal to or exceeding the sum of R100 000 000 (one hundred million Rand) in respect of the Start-up Phase upon the expiry of a period of 15 months calculated from Commencement of Construction (“the Second Put Option Event”);
- upon the expiry of a period of 5 years calculated from Commencement of Construction, CTFS has not incurred capex equal to or exceeding the sum of R250 000 000 (two hundred and fifty million rand) in respect of the Dreamworld Project (“the Third Put Option Event”);
 - There is no arbitrage opportunity,
 - Cash can be lent / borrowed at a known constant risk-free interest rate;
 - Stock is completely liquid
 - There are no transaction costs
 - The stock price follows a geometric Brownian motion with constant drift and volatility; and
 - The stock does not pay a dividend.

The inputs for the Black Scholes model were the following:

- | | |
|---|------------------|
| – Risk-free rate (being the yield of R186 government bond as at 31 March 2015): | 7,80%; |
| – Volatility (being a composite of comparable listed entities): | 38.14%; |
| – Period to maturity: | 1,25 years; |
| – Dividend yield: | 0.00%; |
| – Strike price: | R30,000,000; and |
| – Underlying price: | R265 |

The model is sensitive to adjustments in any of the above variables, directly correlated to changes in the following:

- Volatility; and
- Strike price.

The models' explicit assumptions can also be seen as limitations of its use practically.

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 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).

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

	2015 R'000	2014 R'000
5 Trade receivables and other receivables		
Current	112	3,801
Trade receivables (exchange transaction)	1	2,183
Receivables (non exchange transaction)	-	803
South African Revenue Services	-	74
Sundry debtors and deposits	111	741
Non-Current		
Operating lease deposit	543	543
As at 31 March 2015	Total	30-days
Trade receivables (exchange)	1	1
Receivables (non-exchange)	-	-
Total	1	1
Trade receivables past due but not impaired		
No receivables have been written off in the current or prior year. Trade receivables are non-interest bearing and generally on 30 day terms. The carrying amount of trade and other receivables approximates the fair value.		
6 Pre-payments		
Administrative expenses	517	438
Marketing costs	675	1,458
Workshops, seminars & events	1,587	1,417
Project expenses	900	845
Other operating expenses	792	905
	4,471	5,063
7 Cash and cash equivalents		
Cash and balances with banks	419	204,234
Short-term deposit/investments	19,117	13,891
Cash on hand	5	8
	19,541	218,133
8 Employee benefits		
Total Employee benefits		
Opening balance	3,028	2,308
Utilisation of amounts during the year	(2,652)	(1,684)
Amounts raised during the year	2,071	2,404
Closing balance	2,447	3,028

The balance comprised mainly of performance bonuses of R1,186,693 (2014: R1,707,971) and a leave pay accrual of R993,970 (2014:R997,452).

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

	2015 R'000	2014 R'000
8 Employee benefits (continued)		
Occupational Injury Provision (included in above)		
Opening balance	323	245
Amounts raised during the year	77	78
Utilisation of amounts during the year	(134)	-
Closing balance	<u>266</u>	<u>323</u>

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.

9 Trade and other payables	1,745	1,566
Trade payables	-	36
Accruals	<u>1,745</u>	<u>1,530</u>

10 Other financial liabilities		
	-	208,968
Funds received from National	-	203,908
Balance of Saldanha IDZ project on year end	-	5,060

R203,9 million was received from the Department of Trade and Industry on behalf of Saldanha Bay IDZ Licencing Company. The funds are earmarked for infrastructure development and assets. The special economic zones funding agreement is between the Department of Trade and Industry and Saldanha Bay IDZ Licencing Company. The funds were paid into the agency's bank account and has been paid over to Saldanha Bay IDZ Licencing Company, upon the latter meeting certain requirements.

Saldanha Bay IDZ Licencing Company (Proprietary) Limited (Saldanha) was registered and is operating from 01 April 2014. The 203,9 million received from the Department of Trade and Industry, as well as the closing balance of the Saldanha IDZ project, has been paid over to Saldanha Bay IDZ Licencing Company, upon the latter meeting certain requirements. Property, plant and equipment to the value of R356 thousand was transferred to Saldanha Bay IDZ Licencing Company on 01 April 2014.

Wesgro is the sole shareholder of Saldanha Bay IDZ Licencing Company. Wesgro does however not have any beneficial interest in the shares or any ownership right in respect of the shares and is deemed to hold the shares as a nominee for the benefit of the Provincial Government.

Management has considered the requirements of GRAP 6 Consolidated and Separate Financial Statements, and is satisfied that the agency exercises no control over Saldanha Bay IDZ Licencing Company and does not require consolidation.

Other financial liabilities are not interest bearing and are subsequently recognised at amortised cost. Interest received on funds accrued to Saldanha Bay IDZ Licencing Company.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

	2015 R'000	2014 R'000
11 Operating lease liability		
Current	226	236
Operating lease incentive	226	226
Operating lease liability	-	10
Non-current	1,063	918
Operating lease incentive	660	886
Operating lease liability	403	32

The agency entered into a new operating lease with Eris Property for letting office space in the South African Reserve Bank building. The agreement period is 5 years and has a fixed annual escalation. Eris Property will pay the agency an amount for improvements as per the agreement (operating lease incentive). Refer to note 2 leasehold improvements.

12 Deferred Income	14,736	9,474
Film project	726	862
Administered funds	7,800	2,710
Agribusiness Investment unit	2,248	1,674
City of Cape town	3,962	4,228
Opening balance	9,474	18,268
Add: current year receipts	14,438	16,935
Less : amounts transferred to other financial liabilities	-	(5,060)
Less : amounts released to income in the year	(9,176)	(20,669)
Film project	(2,581)	(2,679)
Administration funds	(995)	(3,136)
Agribusiness Investment Unit	(1,164)	(1,548)
Saldanha Bay IDZ Project	-	(10,410)
City of Cape Town	(4,436)	(2,896)
Total Deferred Income	14,736	9,474

Refer to Annexure 1 for detail of Deferred Income.

13 Transfers and subsidies (Non-exchange transactions)	56,351	72,315
Provincial Departments		
Grants (Trade and Investment)	19,235	21,481
Grants (DMO)	21,500	22,600
Project Funding (Refer note 21)	9,176	20,669
Local Government – City of Cape Town	6,440	7,565

notes to the annual financial statements (continued)

for the year ended 31 March 2015

	2015 R'000	2014 R'000
14 Other revenue (Exchange transactions)	2,402	2,071
Indaba	872	581
Management fee and sundry income	637	474
Interest received on cash and cash equivalents	893	1,016
15 Gains on disposal of assets	48	(12)
Gains/(loss) on disposal of assets	48	(12)
16 Administrative expenses	2,792	3,157
Subscriptions	1,597	1,417
Fees for services - Board members	352	329
Internal audit fees	213	543
Legal fees	228	252
Stationery and printing	154	257
Bank charges	89	112
Training and staff development	154	241
Net foreign exchange losses	5	6
Non-Executive Directors (Fees for services – Board Members)	321	297
Brian Figaji	39	-
Ian Bartes	28	-
Francois Schippers	13	-
Paul Bannister	16	-
Peter Hurst	23	-
Haroon Borat	10	-
Wessie van der Westhuizen	13	-
David Green	20	-
Bulelwa Makalima-Ngewana	19	21
Chris Whelan	29	-
Michael Spicer	30	-
^Andrea Bohmert	20	-
Guy Lundy (term expired June 2014)	20	35
Anthony Black (term expired June 2014)	3	24
Mariette du Toit-Helmbold (term expired June 2014)	3	12
John (Jock) McKenzie (term expired June 2014)	6	27
Mangaliso Mdlalo (term expired June 2014)	3	35
Deon Cloete (term expired June 2014)	3	20
Ravi Naidoo (term expired June 2014)	-	9
Carl Opperman (term expired June 2014)	6	38
Angelo Petersen (term expired June 2014)	12	34
Theodore Yach (term expired June 2014)	-	13
^Benjamin Kodisang (term expired June 2014)	5	29

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

Non-Executive Directors (Fees for services – Board Members)	30	32
Paul Slack	12	22
▲ Danny Naidoo	18	10

^ Employer of director invoiced the agency

▲ Employer of Audit Committee Member invoiced the agency

17 Staff costs

Wages and salaries	20,227	21,865
- Basic salaries	18,549	19,760
- Performance bonus	1,208	1,636
- Temporary staff	5	112
- Leave payments	465	357
Social contributions (Employer's contributions)	2,932	3,072
- Medical	464	528
- UIF	98	103
- Insurance	77	78
- Provident Fund	2,293	2,363
Long Service award	16	3
Total	23,175	24,940

Executive Management Remuneration

	Salary	Performance Awards	Pension Contributions	Short Term Benefits	Total 2015	Total 2014
Chief Executive Officer – Nils Flaatten (resigned February 2015)	1,463	283	-	2	1,748	1,506
Chief Executive Officer – Timothy Harris (appointed March 2015)	142	-	-	-	142	
Chief Financial Officer – Ian Blackie	1,060	86	-	5	1,151	1,079
Chief Operating Officer – Howard Gabriels	871	75	133	14	1,093	961
Chief Marketing Officer – Judy Lain Appointed July 2013	788	56	118	2	964	638
	4,324	500	251	23	5,098	4,184

for the year ended 31 March 2015

	2015 R'000	2014 R'000
18 Marketing costs	6,347	7,130
Advertising and Joint Marketing Agreements	5,495	5,673
Publishing Costs	276	388
Site Inspections	576	1,069
19 Audit fees	1,091	822
Statutory Audit (external)	1,091	822
20 Workshops, Seminars and Events	2,754	1,003
Workshops & Seminars	2,754	1,003
21 Project expenses	9,176	20,669
DMO Project	-	1,879
Agribusiness Investment Unit	1,164	1,548
Saldanha Bay IDZ Project	-	10,296
Depreciation on assets used in the operations of IDZ	-	114
Film Projects	2,581	2,679
South African Tourism Projects	959	1,161
Export development Programme	-	96
Cape Catalyst/Air Access	36	
City Of Cape Town Projects	4,436	2,896
Project expenses consist of the following:	9,176	20,669
Staff cost	2,917	4,957
Travel and subsistence	960	2,207
Stationery and printing	169	28
Marketing cost	343	1,432
Consultants, contractors and special services	4,150	11,431
Administration fees	637	614
22 Other operating expenses	7,967	9,318
Consultants, contractors and special services	2,702	3,039
Transport Costs	61	113
Recruitment Costs	114	134
License & Software fees	469	318
Board Expenses	134	76
Sundry Expenses (Staff Catering, Insurance & Sundry)	250	365
Travel and subsistence	3,173	4,111
Courier and delivery charges	90	46
Telecommunication costs (Telkom, fax, internet & data lines)	974	1,116

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

	2015 R'000	2014 R'000
22 Operating expenses (continued)		
Maintenance, repairs and running costs	435	486
- Property and buildings	402	447
- Machinery and Equipment	33	39
Depreciation	1,113	571
- Assets carried at cost	1,113	571
Amortisation	193	211
- Amortisation	193	211
Rentals in respect of operating leases	3,807	3,642
- Buildings	3,270	3,245
- Parking	221	69
- Plant, machinery and equipment	316	328
Total	13,515	14,228
23 Reconciliation of surplus for the year to cash (utilised in)/generated from operations		
Surplus for the year	2,328	(1,117)
Adjusted for:	(2,588)	1,542
Interest received	(893)	(1,016)
Depreciation	1,113	684
Amortisation	193	211
Foreign exchange loss	5	6
Fair value movement on put option	(2,377)	3,542
Transfer of prior year surplus		(2,617)
Non cash flow movement in employee benefits	(581)	720
Loss/(Profit) on sale of plant and equipment	(48)	12
Operating cash flows before working capital	(260)	425
Working capital changes	(199,110)	193,859
Decrease/(Increase) in receivables	4,281	(6,458)
(Decrease)/ Increase in payable and other payables	315	143
(Decrease)/Increase in other financial liability	(208,968)	208,968
(Decrease)/Increase in deferred income	5,262	(8,794)
Cash generated from operations	(199,370)	194,284
24 Commitments and contingencies		
Operating lease commitments		
<p>Operating lease payments represent rentals payable by the agency for office premises, photo copiers and other equipment. Leases are negotiated for an average term of three years (2014: three years). No contingent rent is payable. Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:</p>		
Up to 1 year	3,210	2,683
1 to 5 years	9,096	11,411
	12,306	14,094

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

24 Commitments and contingencies (continued)

Capital commitments

Wesgro has no future capital commitments for the year ended 31 March 2015.

Legal Proceedings

Cape Town Routes Unlimited received a claim amounting to R2,7 million on 5 June, 2009 in respect of defamation of character of the former chief operating officer. The matter is being contested in court and will be finalised as a responsibility of Wesgro board in terms of the agreement between DEDAT, CTRU and Wesgro signed at Cape Town on 9 February 2012. Please refer to note 32 Subsequent events.

Wesgro also received a claim amounting to R129,745, plus interest and cost from a company on 2 February 2015. The company brought an application for summary judgment, which Wesgro opposed and it was subsequently withdrawn. Wesgro has since filed its plea and it is highly probable that the matter will be defended successfully.

25 Related Parties

Wesgro received funds from both the Provincial and Local Government which is presented by the Department of Economic Development and Tourism (DEDAT) and the City of Cape Town respectively. Wesgro received an administration fee from Saldanha Bay IDZ Licencing Company (SOC) Limited which is an entity under common control. An amount of R345,000 was paid to entities where family members of management are employees. An ex Officio Director of Wesgro is also a board member of CTICC, Times Media and Table Mountain Aerial Cable Way. Mr. Alan Winde was the Western Cape Minister of Finance, Economic Development and Tourism before the National Elections in May'14. The Entities that reported to Mr. Alan Winde were as follows: The Western Cape Trade and Investment Promotion agency (WESGRO) and Western Cape Liquor Board. All related party transactions were conducted at arm's length and in accordance with the agency's policy. Transactions during the year:

		2015	2014
		R'000	R'000
Related party transactions:			
Provincial Government:	Grants	40,735	44,081
	Project funding	2,581	13,089
Local Government: COCT	Grants	6,440	7,565
	Project funding	4,436	2,896
Saldanha Bay IDZ Licencing Company (SOC) Limited	Administration fee	189	-
	Sale of assets	365	-
		54,746	67,631
Family member of key personnel			
Responsive Studio – Professional Service Management		345	250
Times Media – Administrative expenses		22	11
Table Mountain Aerial Cable Way - Hosting		14	10
Interactive Africa – Event Support		-	300
Cape Town International Convention Centre – Hosting and events		915	449
		56,042	68,651

Key management personnel

Members of the Board of Directors of Wesgro receive remuneration and payment for their time and expenses related to Board Meetings and to their membership of Board committees. Remuneration to non-executive directors and senior management personnel is disclosed as per notes 16 and 17.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

26 Retirement Benefits

All eligible employees are members of a defined contribution plan administered by Liberty Life or 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 R2,292,356 (2014: R2,365,534).

27 Financial risk management objectives and policies

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.

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	2015			2014		
	Investment Value R'000	±.50%	±1.0%	Investment Value R'000	±.50%	±1.0%
Cash and cash equivalents	19,117	96	191	13,891	69	139

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 5, 6 and the put option as disclosed in Note 4. There are no significant concentrations of credit risk within the agency.

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.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

27 Financial risk management objectives and policies (continued)

Other 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 R264.80 (2014: R264.80).

Sensitivity analysis

The tables below, as received from the expert, represent the effect on income and expenditure and/or net asset changes in the fair value of the investment and the fair value of the put option arising from changes in key assumptions used in the determination of fair value. The fair value of the put option is an input utilised in the Black-Scholes model which determines the fair value of the option.

	R'000	R'000	R'000	R'000	R'000
Discount rate PR)	Base – 19.2%	Low 18.5%	Effect	High – 20%	Effect
FV investment	1	1	-	1	-
FV of put option	27,206	27,206	-	27,206	-
Total	27,207	27,207	-	27,207	-

Option exercise period	Base – 1.25 years	Low – 0.75 years	Effect	High – 1.75 years	Effect
FV investment	1	1	-	1	-
FV of put option	27,206	28,288	1,082	26,165	(1,041)
Total	27,207	28,289	1,082	26,166	(1,041)

Terminal growth rate	Base – 5%	Low – 4%	Effect	High – 6%	Effect
FV investment	1	1	-	1	-
FV of put option	27,206	27,206	-	27,206	-
Total	27,207	27,207	-	27,207	-

Total	Base	Low	Effect	High	Effect
FV investment	1	1	-	1	-
FV of put option	27,206	28,288	1,082	26,165	(1,041)
Total	27,207	28,289	1,082	26,166	(1,041)

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

28 Financial instruments disclosure

Financial assets per category

2015

	At amortised cost	Total
Trade and other receivables	1	1
Cash and cash equivalents	19,541	19,541
	19,542	19,542

2014

	At amortised cost	Total
Trade and other receivables	2,986	2,986
Cash and cash equivalents	218,133	218,133
	221,119	221,119

Financial liabilities per category

2015

	At amortised cost	Total
Trade and other payables	1,745	1,745
Other financial liabilities	-	-
	1,745	1,745

2014

	At amortised cost	Total
Trade and other payables	1,566	1,566
Other financial liabilities	208,968	208,968
	210,534	210,534

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

29 Reconciliation of actual results to a comparable basis for budget comparison				
	Actual (accrual basis)	Adjustments	Adjusted to comparable basis (cash)	Notes on adjustments
REVENUE				
Transfers and subsidies (Non-exchange transactions))	56,351	118	56,469	City of Cape Town debtor in prior year
Other revenue (Exchange transactions)	2,402	(55)	2,347	Income received in advance
TOTAL REVENUE	58,753	63	58,816	
Gains on disposal of assets	48	389	437	Book value of assets disposed less debtor
Fair value gain on put option	2,377	(2,377)	-	Non cash flow movement
TOTAL INCOME	61,178	(1,925)	59,253	
EXPENDITURE				
Administrative expenses (SPR)	2,792	344	3,136	Accruals and prepayments
Staff costs (SPR)	23,175	(19)	23,156	Accruals, leave pay and bonus provision
Marketing costs (SPR)	6,347	(751)	5,596	Accruals and prepayments
Audit fees (SPR)	1,091	-	1,091	
Workshops, seminars & events (SPR)	2,754	170	2,924	Accruals and prepayments
Project expenses	9,176	(687)	8,489	Accruals and prepayments
Other operating expenses (SPR)	13,515	(2,592)	10,923	Accruals, depreciation and prepayments
TOTAL EXPENDITURE	58,850	(3,535)	55,315	
	2,328	1,610	3,938	
Capital expenditure	(555)	10	(545)	
SURLUS FOR THE YEAR	1,773	1,620	3,393	

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

Reconciliation between adjusted actuals and movement in cash and cash equivalents

Net decrease in cash and cash equivalents as per statement of cash flows	(198,592)
Adjustment for	
Non-cash flow movement in Project income	(687)
DTI debtor	(1,033)
Increase in deferred income	(5,262)
Decrease in other financial liabilities	208,968
Adjusted actual surplus for the year	<u>3,393</u>

30 Fruitless and wasteful expenditure

Interest of R2,829 was paid to South African Revenue Services for late payment of PAYE in 2013/14. No fruitless and wasteful expenditure was identified for 2014/15.

Reconciliation of fruitless and wasteful expenditure:

	2015 R'000	2014 R'000
Opening balance	-	3
Fruitless and wasteful expenditure – current year	-	-
Fruitless and wasteful expenditure condoned during the year	-	(3)
Fruitless and wasteful expenditure awaiting condonement	<u>-</u>	<u>-</u>

31 Irregular expenditure

No irregular expenditure was incurred for 2014/15 or 2013/14.

32 Subsequent events

The defamation of character claim of R2.7 million against Cape Town Routes Unlimited was settled subsequent to the financial year end. The decision to settle was based on the economic benefits of settlement, taking into account the monetary cost and the time intensity of the matter going to trial. Furthermore, the matter was settled without Wesgro admitting liability in the matter. The parties settled on an amount of R100 000 in full and final settlement of the pending proceedings.

33 Notes to comparison of budget and actual

Budget adjustments

Transfers and subsidies – Decline of R 1,125 million in funding received the City of Cape Town and additional funding of R 1,500 million received from DEDAT.

Staff costs – Vacant positions staff costs allocated to projects and expenditure that was not included in original budget.

Administrative expenses – Savings from staff cost utilised under administrative expenses to fund additional cost for subscriptions and membership fees.

Marketing costs – Savings from staff cost utilised under marketing to fund additional platforms and local marketing campaigns.

Workshops, seminars and events – Additional funds allocated to the Indaba platform and sponsorship of events.

Project expenses – Not included in budget as funded by ring fenced projects.

Other operating expenses – Additional funds allocated to roll out the new CRM system and office maintenance requirements after move to new premises.

Wesgro

notes to the annual financial statements (continued)

for the year ended 31 March 2015

Budget vs. actuals

Transfers and subsidies – R850 thousand received from City of Cape Town in respect of the prior financial year and project income not budgeted for. Also refer project expenses below.

Project expenses – Not budgeted as funded by ring fenced projects.

34 Change in accounting policy

GRAP 100 revised in February 2013, withdrew the measurement, presentation and disclosure requirements related to non current assets held for sale.

The comparative closing balances have been appropriately restated. The effect of this change in accounting policy is as follows:

Effect on statement of financial position in prior year

	2014 R'000
Non-current assets	
Plant and equipment	325
Intangible assets	35
Non-current assets held for sale	(360)

Annexure 1

Deferred Income

Name	Details	2014/15	2013/14	
		R'000	R'000	
Film projects	Funded by the Provincial Government of the Western Cape	Balance at beginning of the year	862	1,041
		Funding received	2,500	2,500
		Expenditure	-2,636	-2,679
		Balance at the end of the year	726	862
EDP	Funded by the Provincial Government of the Western Cape	Balance at beginning of the year (incl. adjustment)	1	97
		Funding received	-	-
		Expenditure	-	-96
		Balance at the end of the year	1	1
Special Operational Project	Funded by the Provincial Government of the Western Cape	Balance at beginning of the year	643	643
		Balance at the end of the year	643	643
Tourism Investment Promotion Strategy	Funded by the Provincial Government of the Western Cape	Balance at beginning of the year	-	109
		Transfer to invest in Cape Town Publication	-	-109
		Balance at the end of the year	-	-
Value Chain Boat Building	Funded by the Provincial Government of the Western Cape	Balance at beginning of the year	-	163
		Transfer to invest in Cape Town Publication	-	-163
		Balance at the end of the year	-	-
Road Signage	Transferred from CTRU	Balance at beginning of the year	80	80
		Transfer	-	-
Balance at the end of the year		80	80	
Itesp: Tourism	Transferred from CTRU	Balance at beginning of the year	121	121
		Transfer	-	-
Balance at the end of the year		121	121	
Bidding Condition World Congress on Infectious Diseases	Funded by National Convention Bereua	Balance at beginning of the year	750	-
		Expenditure	-623	-
		Transfer	-116	750
Balance at the end of the year		11	750	

Annexure 1

Deferred Income

Name	Details		2014/15	2013/14
			R'000	R'000
Bidding Condition: World Congress on Emergency and Disaster	Funded by National Convention Bereua	Balance at beginning of the year	900	-
		Funding received	-	900
		Expenditure	-	-
		Balance at the end of the year	900	900
Bidding Condition: International Gay & Lesbian Travel	Funded by National Convention Bereua	Balance at beginning of the year	81	-
		Funding received	-	81
		Expenditure	-	-
		Balance at the end of the year	81	81
Onsite support: DOHAD	Funded by National Convention Bereua	Balance at the beginning of	8	-
		Funding received	-	98
		Transfer	-8	-90
		Balance at the end of the year	-	8
Onsite support: ICASA	Funded by National Convention Bereua	Balance at beginning of the year	80	-
		Funding received	-	80
		Transfer	-80	-
		Balance at the end of the year	-	80
Onsite support: Mahindra Conference	Funded by National Convention Bereua	Balance at beginning of the year	8	-
		Funding received	-	59
		Transfer	-8	-51
		Balance at the end of the year	-	8
Onsite support: AIA Singapore Incentive	Funded by National Convention Bereua	Balance at beginning of the year	-	-
		Funding received	-	40
		Expenditure	-	-40
		Balance at the end of the year	-	-
World Library and Information Congress	Funded by National Convention Bereua	Balance at beginning of the year	-	-
		Funding received	-	200
		Expenditure	-	-200
		Balance at the end of the year	-	-

Annexure 1

Deferred Income

Name	Details		2014/15	2013/14
			R'000	R'000
Onsite support: Control on Influenza Conference	Funded by National Convention Bereua	Balance at beginning of the year	25	-
		Funding received	-	80
		Transfer	-25	-55
		Balance at the end of the year	0	25
Onsite support: Board of Healthcare Funders	Funded by National Convention Bereua	Balance at beginning of the year	5	-
		Funding received	-	15
		Expenditure	-	-10
		Balance at the end of the year	5	5
Personality Psychology Conference	Funded by National Convention Bereua	Balance at beginning of the year	8	-
		Funding received	-	723
		Transfer	-8	-
		Expenditure	-	-715
Balance at the end of the year	-	8		
DMO project	Transferred from CTRU	Balance at beginning of the year	0	1,838
		Transfer	-	41
		Expenditure	-	-1,879
		Balance at the end of the year	0	0
On-site support: NCB	Transferred from CTRU	Balance at beginning of the year	-	-
		Transfer	245	-
		Expenditure	-245	-
		Balance at the end of the year	-	-
SAT: Tourism Indian Educational	Transferred from CTRU	Balance at beginning of the year	-	-
		Funding received	138	-
		Expenditure	-91	-
		Balance at the end of the year	47	-
Air Access	Funded by the Provincial Government of the Western Cape	Balance at beginning of the year	-	-
		Funding received	3,000	-
		Expenditure	-36	-
		Balance at the end of the year	2,964	-

Annexure 1 Deferred Income

Name	Details	2014/15 R'000	2013/14 R'000
Cape Health and Technology Park	Funded by the Provincial Government of the Western Cape		
	Balance at beginning of the year	-	-
	Funding received	2,447	-
	Expenditure	-	-
Balance at the end of the year		2,447	-
Project Khulisa	Funded by the Provincial Government of the Western Cape		
	Balance at beginning of the year	-	-
	Funding received	500	-
	Expenditure	-	-
Balance at the end of the year		500	-
Administered funds		7,800	2,710
Agribusiness	Funded by the Provincial Government of the Western Cape		
	Balance at beginning of the year (incl. adjustment)	1,623	1,790
	Funding received	1,738	1,381
	Expenditure	-1,164	-1,548
Balance at the end of the year		2,196	1,623
Agribusiness Niche Projects	Funded by Provincial Government of the Western Cape		
	Balance at beginning of the year	51	51
	Expenditure	-	-
Balance at the end of the year		51	51
Agribusiness		2,247	1,674
Saldanha Bay IDZ Feasibility Study	Funded by both the Provincial Government of the Western Cape and National Department of Trade and Industry (dti)		
	Balance at beginning of the year	-	6,123
	Funding received - Provincial	-	9,347
	Transfer to/(from) Debtors	-	-
	Expenditure	-	-10,296
	Transferred to other financial liabilities	-	-5,060
	Depreciation on assets used In IDZ operations	-	-114
Balance at the end of the year		-	-

Annexure 1 Deferred Income

Name	Details	2014/15	2013/14	
		R'000	R'000	
Export Mentorship Programme (EMP)	Funded by the City of Cape Town	Balance at beginning of the year	1,021	1,311
		Transfer from prior year accruals	-	-
		Funding received	870	-
		Expenditure	-1,529	-290
		Transfer	98	-
Balance at the end of the year			460	1,021
Export Market Linkages Programme	Funded by the City of Cape Town	Balance at beginning of the year	1,427	1,631
		Transfer from prior year accrual	-	-
		Funding received	1,077	-
		Expenditure	-684	-204
Balance at the end of the year			1,819	1,427
Investor Pitch Reports	Funded by the City of Cape Town	Balance at beginning of the year	-	248
		Transfer from Investment Strategy	-	-
		Expenditure	-	-248
Balance at the end of the year			-	-
VeloCITI WICT Impact Assessment	Funded by the City of Cape Town	Balance at beginning of the year	-	396
		Transfer	-	-
		Expenditure	-	-396
Balance at the end of the year			-	-
Project manager to manage projects	Funded by the City of Cape Town	Balance at beginning of the year	443	760
		Funding received	-	-
		Transfer from Stakeholder Outward missions	-	-
		Expenditure	-443	-317
Balance at the end of the year			-	443
Stakeholder outward Mission with CoCT representative	Funded by the City of Cape Town	Balance at beginning of the year	198	198
		Funding received	-	-
		Expenditure	-121	-
		Transfer	-43	-
Balance at the end of the year			34	198

Annexure 1 Deferred Income

Name	Details	2014/15	2013/14	
		R'000	R'000	
Invest in Cape Town	Funded by the City of Cape Town	Balance at beginning of the year	213	-
		Transfer from WC Boat building	-	163
		Transfer from WC Tourism Investment	-	109
		Expenditure	-	-59
		Balance at the end of the year	213	213
Bric Market Entry Strategies	Funded by the City of Cape Town	Balance at beginning of the year	197	400
		Funding received	-	-
		Transfer	-197	-203
Balance at the end of the year	-	197		
Africa/Middle East Market Entry Strategies	Funded by the City of Cape Town	Balance at beginning of the year	70	400
		Funding received	-	-
		Expenditure	-	-330
Balance at the end of the year	70	70		
GIS Mapping of all Committed Investments	Funded by the City of Cape Town	Balance at beginning of the year	50	50
		Funding received	-	-
		Transfer	-50	-
Balance at the end of the year	-	50		
Marketing	Funded by the City of Cape Town	Balance at beginning of the year	-	100
		Funding received	-	-
		Expenditure	-	-100
Balance at the end of the year	-	-		
Update "Invest in Cape Town Brochure"	Funded by the City of Cape Town	Balance at beginning of the year	142	200
		Funding received	-	-
		Expenditure	-43	-58
Balance at the end of the year	99	142		
Invest in Cape Town publication	Funded by the City of Cape Town	Balance at beginning of the year	-	24
		Funding received	-	-
		Expenditure	-	-24
Balance at the end of the year	-	-		

Annexure 1

Deferred Income

Name	Details	2014/15	2013/14
		R'000	R'000
Contingencef orCOCTPr ojects	Funded by the City of Cape Town		
	Balance at beginning of the year	72	100
	Transfer from EMP	-	-
	Expenditure	-67	-28
Balance at the end of the year		5	72
Unplanned expenses as agreed upon with COCT	Balance at beginning of the year	395	395
	Funding received	-	-
	Transfer	-395	-
Balance at the end of the year		-	395
Sector Profiling & Promotion: Manufacturing	Balance at beginning of the year	-	-
	Funding received	-	-
	Expenditure	-	-205
	Transfer to Sundry Debtors	-	205
Balance at the end of the year		-	-
ICT Conference	Balance at beginning of the year	-	-
	Funding received	-	-
	Expenditure	-80	-217
	Transfer	80	217
Balance at the end of the year		-	-
East Africa Market research & drafting	Balance at beginning of the year	-	-
	Funding received	278	-
	Expenditure	-276	-47
	Transfer to Sundry debtors	-	47
Balance at the end of the year		2	-
Sector profiling & Promotion: Hospitality Sector	Balance at beginning of the year	-	-
	Funding received	171	-
	Expenditure	-165	-171
	Transfer to Sundry debtors	-	171
Balance at the end of the year		6	-

Annexure 1

Deferred Income

Name	Details	2014/15	2013/14
		R'000	R'000
China/Russia Strategies Research	Balance at beginning of the year	-	-
	Expenditure	-256	-
	Transfer	395	-
	Balance at the end of the year	139	-
Cape Town Investor Video	Balance at beginning of the year	-	-
	Funding received	350	-
	Transfer	-217	-
	Balance at the end of the year	133	-
Investor Survey	Balance at beginning of the year	-	-
	Expenditure	-201	-
	Funding received	300	-
	Balance at the end of the year	99	-
Mayor's Awards	Balance at beginning of the year	-	-
	Expenditure	-	-
	Funding received	100	-
	Balance at the end of the year	100	-
Update Marker Exports your Business Directory	Balance at beginning of the year	-	-
	Expenditure	-	-
	Funding received	161	-
	Transfer	39	-
Balance at the end of the year	200	-	
Innovation Summit	Balance at beginning of the year	-	-
	Expenditure	-200	-
	Transfer	200	-
	Balance at the end of the year	-	-
Printing: Invest in Cape Town	Balance at beginning of the year	-	-
	Expenditure	-46	-
	Transfer	75	-
	Balance at the end of the year	29	-
Directory of Companies and Organisations	Balance at beginning of the year	-	-
	Expenditure	-	-
	Transfer	15	-
	Balance at the end of the year	15	-

Annexure 1 Deferred Income

Name	Details	2014/15	2013/14
		R'000	R'000
Mayor's round table	Balance at beginning of the year	-	-
	Funding received	70	-
	Expenditure	-70	-
Balance at the end of the year		-	-
Investor Forum Breakfast	Balance at beginning of the year	-	-
	Funding received	70	-
	Expenditure	-	-
Balance at the end of the year		70	-
Vison to Reality Conference	Balance at beginning of the year	-	-
	Funding received	200	-
	Expenditure	-200	-
Balance at the end of the year		-	-
Mapping of Business processes in IP and Trade	Balance at beginning of the year	-	-
	Funding received	200	-
	Expenditure	-	-
Balance at the end of the year		200	-
Publication and printing of Wesgro IQ publication	Balance at beginning of the year	-	-
	Funding received	70	-
	Expenditure	-	-
Balance at the end of the year		70	-
High growth sectors research	Balance at beginning of the year	-	-
	Funding received	200	-171
	Expenditure	-	171
Balance at the end of the year		200	-
City of Cape Town Projects		3,963	4,228
Total Deferred Income		14,736	9,474



Western Cape
Government

BETTER TOGETHER.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

an inspiring place to do business

18th floor, reserve bank building | 60 st georges mall, cape town 8001 | p.o. box 1678 cape town 8000 south africa
tel: +27 21 487 8600 | e-mail: info@wesgro.co.za | website: wesgro.co.za

PR27/2015 | ISBN: 978-0-621-43353-1