

WESGRO *Annual Report* 2019/20





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Knysna, Garden Route, Western Cape







part a

general information

part a: general information

1. public entity's general information

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

2. list of abbreviations

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

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

3. foreword by the vice chairperson

During the first months of 2020, the world changed forever.

The 2019/20 financial year began with the emergence of the Western Cape economy from the grips of a devastating drought, only to end in the midst of an unprecedented global pandemic. During March 2020, almost every country in the world implemented travel restrictions and enforced lockdown or stay-at-home measures in order to curb the spread of the COVID-19 virus.

Before reaching our shores, the effects of the outbreak of COVID-19 were already being felt in various sectors of our economy as early as January 2020.

In the final days of the financial year under review, the South African Government announced a national state of disaster, implementing a strict lockdown and shutting borders to international travel. In one fell swoop, the tourism industry would face decimation and the economy would grind to a near halt.

For an agency like Wesgro, with almost every aspect of its mandate involving international economic activity, the COVID-19 pandemic changed everything. Yet the manner in which the Agency was able to adapt and pull together in the face of an unprecedented crisis has shown the depths of its resolve to support the economy of the Western Cape.

It is my firm belief that businesses in the Western Cape had the strongest possible support network going into the COVID-19 crisis thanks to the small but immensely dedicated team at Wesgro. Wesgro has repeatedly proven that it is able to pull together stakeholders from across government and the economy in order to align support in a time of crisis.

It is also my belief that our team will have a big impact on boosting economic recovery, as we emerge from the crisis. Wesgro works hard, not only to promote and facilitate tourism, exports and investment, but also to strengthen the building blocks that enable the economy to grow, such as global connectivity (e.g. Cape Town Air Access) and ease of doing business (e.g. the InvestSA Western Cape One-Stop-Shop).

Despite the financial year ending in a crisis, this annual report highlights the hard work that the Agency put in to meet its targets during the year under review. In the 2019/20 financial year, Wesgro achieved 113 investment and film and media declarations, business agreements and tourism initiatives, with an estimated economic impact of over R9bn. This created over 5 000 jobs in the Western Cape (excluding the substantial number of jobs generated by tourism marketing).

I would like to reflect in particular on the fact that the Leisure Tourism Unit exceeded its targets for the year under review. The Agency supported a total of 46 tourism destination marketing initiatives, with an estimated economic impact of R935,63m. The Agency also supported 49 leisure events across the Western Cape, which created 4 896 temporary jobs, and drove 292 474 visitors to the region with an estimated economic impact of R278m. The Convention Bureau team secured 52 new bids for the destination, which is expected to bring 38 291 delegates with an estimated economic impact of R1,23bn.

Unfortunately, international leisure and business tourism are of the sectors that have been the hardest hit by COVID-19. While we know that some of these initiatives could not go ahead after the National Government declared a State of Disaster, we are not yet able to grasp the full magnitude of the resultant loss to livelihoods. It is imperative that we do everything within our power to support recovery of these sectors.

It is further worth reflecting on the achievements of the Investment Promotion Unit, who during this time of low investor confidence, and the ongoing energy crisis in South Africa, have managed to achieve their targets. The Unit realised a total of 18 investment projects, to the value of R2,24bn. This resulted in the creation of 1 485 jobs, growing the Western Cape's industrial base, especially in the renewable energy and manufacturing sectors. In addition, the Agribusiness Investment Unit realised investments to the value of R557m, resulting in 635 jobs.

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

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

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

Now we need to look forward, towards recovering and rebuilding.



A stylized, handwritten signature in black ink, consisting of a large 'M' followed by a wavy line and a small dot.

Mike Spicer
Vice Chairperson
Wesgro
30 September 2020

4. chief executive officer's overview

It is strange to write this foreword for the financial year ending 31 March 2020 with the hindsight of knowing that the way the world does business might have changed forever.

The timeline of change was short. In January 2020, the outbreak of a novel Coronavirus in China was causing global supply chain challenges. In February 2020, large segments of our economy, including tourism and international conferencing, were already in a state of turmoil as the virus spread to Europe and the United States. By the end of March 2020, South Africa was in a state of lockdown, and so was much of the world. South Africa's national borders have remained shut for the most part of 2020.

As an agency tasked with the promotion of international tourism, trade and investment, we have seen first-hand the profound impact that the shutting of international borders has had on so many of our sectors. At the same time, we have had to rethink entirely how we operate as an agency to achieve our mandate.

One thing that stands out more starkly than ever, is the importance of global connectivity for the Western Cape economy.

It is for this precise reason, that the Cape Town Air Access project was launched in 2015; a collaboration between public and private sector, with one objective: global connectivity. This partnership has helped land 19 new routes and 23 route expansions to Cape Town International Airport since its inception. More than 750,000 inbound seats have been added as a result, providing an economic boost of R6 billion to the province. The team is working very hard to maintain this connectivity.

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

In the 2019/20 financial year, a challenging year even before COVID-19, Wesgro attracted, facilitated, and supported direct investments, film and media deals, export agreements, and tourism initiatives with an estimated economic impact of over R9bn.

The Trade Promotion Unit promotes and facilitates exports of goods and services from companies in the Western Cape. It also supports the expansion of Western Cape companies into the rest of Africa (OFDI). During the financial year under review, the Unit facilitated 37 business deals, with an estimated value of R3,08bn, resulting in 973 jobs. The Unit committed seven OFDI projects to the value of R428,75m. The next annual report will be an opportunity to discuss how this team has managed to adapt the way in which it operates through virtual trade missions.

In addition to the above, the Trade Promotion Unit also runs an Export Advancement and Promotion (EAP) training programme focussed on building export competence and capability of companies in the Western Cape. Two training sessions were provided during the year under review and both were over-subscribed.

The Investment Promotion Unit attracts and facilitates foreign and local direct investment in the Western Cape. Through the adoption of a more proactive approach to targeting investors locally and internationally, the Unit exceeded its annual target and recruited 114 new quality investment projects into the project pipeline.

To support the facilitation of investment into the Province, Wesgro operates the Western Cape InvestSA One Stop Shop, a collaborative space between government departments to streamline regulatory and administrative bottlenecks for potential investors. During the financial year under review, the Unit facilitated a total of 15 regulatory approvals, thereby assisting the Investment Promotion and Agribusiness Investment Unit in securing R1,073bn and 322 jobs.

This financial year also saw the launch of the District Unit to provide greater economic promotion support to all non-metro municipalities in the Province. Forty local and district municipal engagements took place during the year under review, with 12 new investment projects recruited in the District Unit project pipeline.

As investor confidence in South Africa remains low, the Marketing and Communications Unit has been going above and beyond in order to get the good news out and shore up confidence. During the year under review, the Unit worked hard to promote the destination and drive the business narrative. Highlights included Investor Confidence Campaigns focussed on promoting the Province to global markets as a business destination of choice, and the second edition of the “Pioneers” magazine. This edition profiles various tech companies leading the way in innovation in the Province, and positions the region as “Africa’s tech capital”.

Wesgro’s Film and Media Promotion Unit is tasked with establishing a globally competitive film sector in the Western Cape. During the financial year under review, the Unit signed a total of five declarations to the value of R2,189bn, resulting in the facilitation of 2 147 full-time equivalent (FTE) jobs. The Unit, in partnership with industry, also provided Export Advancement and Promotion upskilling to 1 205 companies.

In the coming years, economic recovery is going to require a colossal effort from all of us. I believe that with a team that can achieve all of this and more, we are already on the path to recovery.

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

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

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

I have great confidence that with this team, we will not only adapt and survive, we will adapt and thrive.



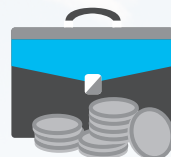
A stylized, handwritten signature in black ink, appearing to read 'Tim Harris'.

Tim Harris
Chief Executive Officer
Wesgro
30 September 2020

Investment Promotion Unit

secured **18** investment projects, to the value of

R2,24bn



against a target of **R1,62bn to R2,5bn**

1 485



jobs created

Agribusiness Investment Unit

six investment projects, to the value of

R557m

were realised



against a target of **R400m to R500m**

635



jobs created

Trade Promotion Unit

37 business agreements with an estimated economic value of

R3,08bn



against a target of **R2,15bn to R2,8bn**

973



jobs created

Film and Media Promotion Unit

total of five film and media declarations to the value of

R2,189bn

were recorded



against a target of **R1,54bn to R2,62bn**

2147



fte jobs created

Marketing and Communication Unit

57 strategic corporate agency events hosted



generated a total of **R58,37m** in advertising value equivalent (AVE)

25 strategic media engagements were hosted



Destination Marketing

Leisure supported **46** tourism marketing initiatives



an estimated economic impact of over **R935,63m**



Convention Bureau team secured **52** new bids



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

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

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General South Africa.

The annual report is complete, accurate, and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The annual financial statements (contained in Part E of this report) have been prepared in accordance with the South African standards of Generally Recognised Accounting Practices (GRAP), standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance regarding the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditor is engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



Tim Harris
Chief Executive Officer Vice
Date: 30 September 2020



Mike Spicer
Chairperson of the Board
Date: 30 September 2020

6. strategic overview

6.1. Vision

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

6.2. Mission

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

The mission of the Agency is to:

- Facilitate the attraction and retention of direct investment in the Western Cape
- Facilitate the growth of exports

- Position and market the Province globally as a competitive and sustainable tourism and film destination
- Facilitate the link between business and government decision-makers
- Provide service excellence in all our business support functions

6.3. values

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

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

6.4. constitutional, legislative and other mandates

6.4.1. constitutional mandate

Constitution of the Republic of South Africa, 1996

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

- Consumer protection
- Industrial promotion
- Tourism
- Trade

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

6.4.2. legislative mandates

While Wesgro is governed by a number of acts, this section provides an overview of the acts that significantly impact the work of the Agency.

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

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

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

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

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

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

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

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

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

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

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

Tourism Act, 2014 (Act 3 of 2014)

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

6.4.3. policy mandates

6.4.3.1 national policy framework

State of the Nation Address

In his State of the Nation Address on 13 February 2020, the President focussed on the following areas for delivery:

1. Education
2. Health
3. Energy
4. Transport
5. Water
6. Police
7. Infrastructure
8. Youth and women empowerment
9. Investment and jobs

10. Land reform

11. Local and provincial governments

Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) is the Government's strategic plan for the 2020-2024 electoral term. The MTSF sets out the actions that government will take, and the targets to be achieved. It also provides a framework for the other plans of national, provincial and local governments.

National Development Plan

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

Industrial Policy Action Plan

The Industrial Policy Action Plan (IPAP) is firmly entrenched in government's overall policy and plans to address the key challenges of economic and industrial growth and race-based poverty, inequality and unemployment. IPAP 2018 is a product of the Economic Sectors, Employment and Infrastructure Development (ESEID) cluster. The responsibility for its implementation lies with government as a whole, and with a wide range of entities, including state-owned companies. IPAP 2018 focusses on the following 10 key themes that inform the work of the Department of Trade Industry and Competition (dtic) and serve as a road map for the wider industrial effort:

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

National Tourism Sector Strategy

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

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

6.4.3.2 provincial policy framework

State of the Province Address

During the State of the Province Address delivered on 20 February 2020, the Premier outlined the Western Cape Government's main focus areas as being:

- Safety
- Economy
- Energy and resilience
- Ease of doing business
- Health
- Education
- Transport
- Human settlements
- Culture change and innovation

OneCape 2040

OneCape 2040 envisages a transition towards a more inclusive and resilient economic future for the Western Cape region. It sets a common direction to guide planning, action and accountability. It serves as a reference point and guide for all stakeholders in order to:

- promote fresh thinking on and critical engagement in the future;
- provide a common agenda for private, public and civil society collaboration;
- help align government action and investment decisions;
- facilitate the necessary changes we need to make to adapt to our (rapidly) changing local and global context; and
- address our development, sustainability, inclusion and competitiveness imperatives.

Provincial Strategic Plan

Aimed at creating an enabling environment that facilitates opportunities and encourages responsible citizenship, the Provincial Government has developed five vision-inspired priorities (VIPs). These are:

- VIP 1: Safe and cohesive communities
- VIP 2: Economy and jobs
- VIP 3: Empowering people
- VIP 4: Mobility, spatial transformation and human settlements
- VIP 5: Innovation and culture

The Department of Economic Development and Tourism (DEDAT), through its programmes and activities, contributes to the achievement of VIP 2: Economy and jobs. Its impact statement is "increased employment of the Western Cape economy", with the apex goal of growing exports.

The identified Provincial Strategic Plan (PSP) priorities are:

- Investment
- Infrastructure
- Exports
- Skills
- Resource resilience

Wesgro contributes to the achievement of VIP2: Economy and jobs, and has developed its five-year strategy and the achievement thereof to create an enabling environment that fosters economic growth and job creation.

Western Cape Green Economy Strategy Framework

The aim of the framework is to position the Western Cape as the lowest carbon province in South Africa and the leading green economic hub of the African continent.

Western Cape Infrastructure Framework

This framework aligns the planning, delivery and management of infrastructure provided by all stakeholders (national, provincial and local governments, parastatals and the private sector).

International Relations Strategy

The strategy aims to harness the activities of the provincial government for maximum impact of our economic diplomacy efforts.

7. organisational structure

Wesgro is a Schedule 3C public entity, as stipulated in the Public Finance Management Act, Act 1 of 1999 (PFMA), and is managed by a board of directors appointed by the executive authority. The table below provides a list of the Wesgro Board members in 2019/20.

Table 1: Wesgro Board members	
Name	Title
Prof Brian Figaji	Chairperson (appointed 01 July 2017, resigned 30 June 2020)
Mr Michael Spicer	Deputy Chairperson
Mr Ian Bartes	Director and Chairperson of the Audit, IT and Risk Committee
Ms Andrea Böhmert	Director
Mr David Green	Director
Mr Paul Bannister	Director
Mr John Copelyn	Director
Ms Ruwaida Eksteen	Director
Ms Palesa Morudu	Director (appointed 01 November 2017, resigned 31 May 2019)
Ms Judith February	Director (appointed 10 December 2019, resigned 20 March 2020)
Ald Marius Koen	Director
Ald (Dr) Helena von Schlicht	Director
Mr John van Rooyen	Director
Mr Solly Fourie	Ex officio member of the Board representing the Provincial Government of the Western Cape
Mr Lance Greyling	Ex officio member of the Board representing the City of Cape Town, and Chairperson of the Human Resources, Remuneration and Nominations Committee

7. organisational structure

Wesgro Board Members



Mr. Michael Spicer
Deputy Chairperson



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



Ms. Andrea Böhmert
Director



Mr. David Green
Director



Mr. Paul Bannister
Director



Mr John Copelyn
Director



Ms Ruwaida Eksteen
Director



Mayor Marius Koen
Director



Mayor Helena von Schlicht
Director



Mr. John van Rooyen
Director



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



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



Mr. Tim Harris
Chief Executive Officer

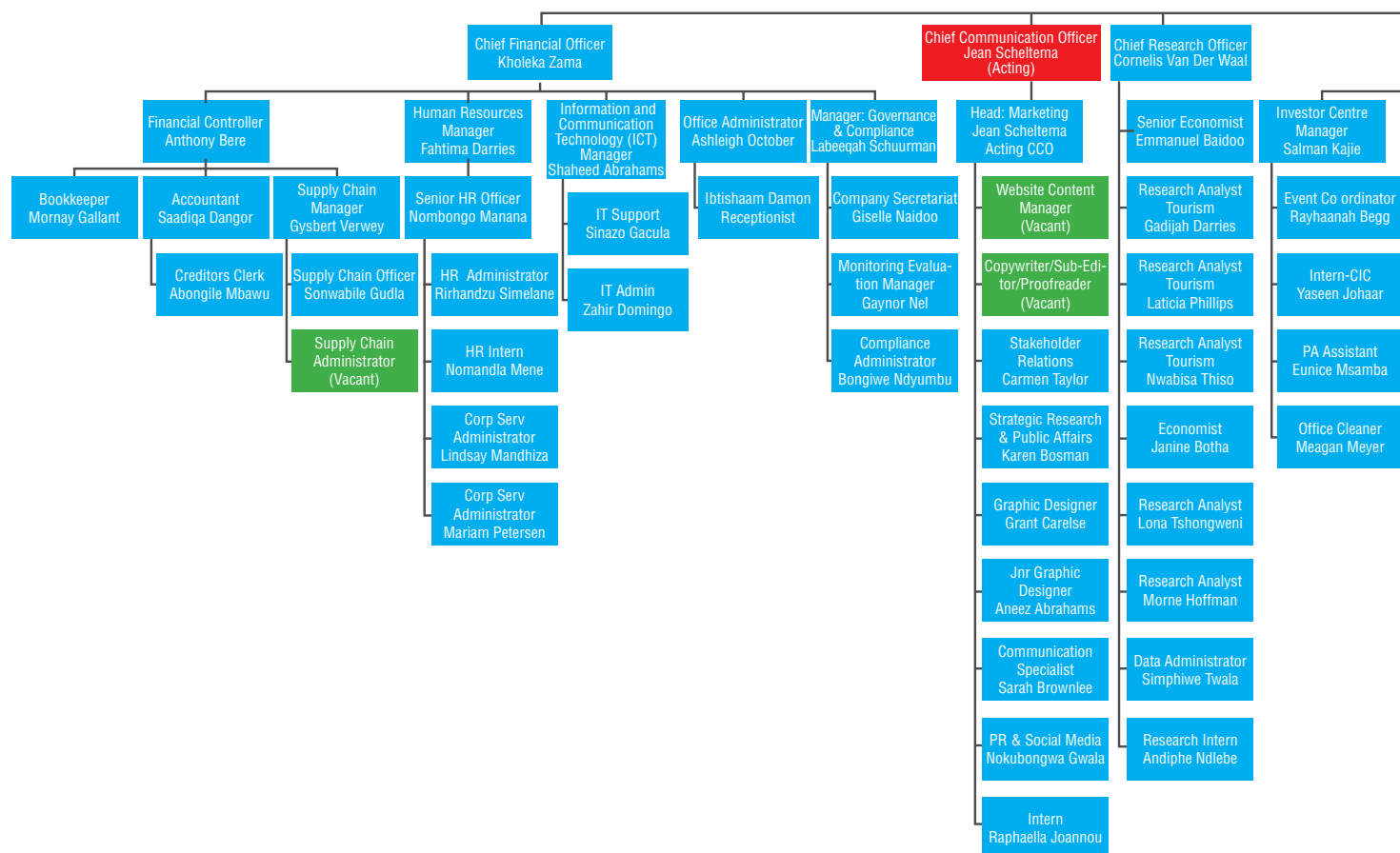
Board members who resigned:

Prof Brian Figaji Chairperson (appointed 01 July 2017, resigned 30 June 2020)

Ms Palesa Morudu Director (appointed 01 November 2017, resigned 31 May 2019)

Ms Judith February Director (appointed 10 December 2019, resigned 20 March 2020)

7.1 organogram



Legend

CURRENT

VACANT

ACTING

01 April 2020









part b

performance information

part b: performance information

1. auditor's report: predetermined objectives

The Auditor-General South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with no material findings being reported under the “Predetermined Objectives” heading in the “report on audit of the annual performance report” section of the auditor's report.

See page 87 of the auditor's report, contained in Part E of this report.

2. situational analysis

2.1. service delivery environment

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

During the 2019/20 financial year, the Agency achieved a total of 113 investment declarations, film and media declarations, business agreements and tourism initiatives, with an estimated economic impact of over R9bn and creating over 5 000 jobs (these exclude the substantial number of jobs generated by tourism marketing, for which there is no agreed measurement methodology). The Agency committed a total of 18 investment projects with an investment value of R2,24bn, resulting in the creation of 1 485 jobs. In addition, the Agency committed a total of six investment projects in the agribusiness sector, with an investment value of R557m, resulting in 635 jobs. Through investment promotion, the Agency has contributed to the realisation of investments in the renewable energy and manufacturing sectors, among others. The Agency continues to focus on building a robust project pipeline, and has adopted a targeted, data-driven approach to investment promotion.

Through increased efforts in driving global exports and the facilitation of outward foreign direct investment (OFDI), the Agency performed well during the period under review. A total of 37 trade promotion business agreements were signed, with an estimated economic impact of R3,08bn, resulting in 973 jobs. In addition, seven OFDI projects were committed, to the value of R428,75m.

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

The Agency has confidently pursued its mandate to promote the Province and the City of Cape Town as preferred business and tourism destinations through the implementation of various tourism destination marketing initiatives. During the period under review, the Agency supported a total of 46 tourism destination marketing initiatives, with an estimated economic impact of R935,63m and R80,17m AVE generated. The Convention Bureau secured 52 conference bids, with an estimated economic impact of R1,23bn. Wesgro supported 49 regional events during the reporting period.

The Agency has emphasised the importance of research-driven planning and lead generation. The Research team assists the Agency in achieving its mandate by providing economic research and market intelligence to support the work of tourism, trade, investment and film, and for the use of Wesgro clients. During the financial year under review, the Agency produced 104 publications and completed 332 information requests, with an average turnaround time of 1,4 days.

As part of its strategy, the Agency focussed on building the Cape's business brand, the provincial tourism destination brand and the Wesgro brand. A number of reputation management and knowledge building initiatives were implemented. During the financial year under review, the Agency generated a total value of R58,37m media coverage (measured using Advertising Value Equivalents).

The film and media industry continues to gain momentum, and significant strides have been made in promoting the Province as a globally competitive filming destination. The Film and Media Promotion Unit seeks to promote the City of Cape Town and the Province as a preferred filming destination. Through increased efforts to promote these destinations and grow the industry, the Agency secured a total of five film and media production declarations, to the value of R2,189bn, and created a total of 2 147 full-time equivalent (FTE) jobs.

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

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

Table 2: Overall estimated economic impact and jobs created in 2019/20		
Programme	Estimated economic impact (R)	Direct jobs
Investment promotion (including agribusiness)	2 802 450 000	2 120
Trade promotion	3 084 780 664	973
Tourism destination marketing	935 633 600	-
Film and media promotion	2 189 000 000	2 147
Total	9 011 864 264	5 240

* The job total is a cumulative figure of direct jobs achieved in investment, export and film.

2.2. organisational environment

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

The Agency conducts regular SWOT analyses aimed at enhancing agility and developing its priorities.

Table 3: SWOT analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> Over 35 years' proven track record and an established global brand in economic diplomacy Sector and market specialists in the investment, trade, film, leisure and business tourism teams Established and strong investment pipeline Strong capability in creating market access through effective trade missions Excellent track record in promoting outward investment into the rest of Africa Responsive research and thought leadership capability Strong relationships with local, provincial, national and global partners Highly responsive to stakeholder needs Primary bridge between business and government within the context of our mandate Collaborative approach to realising opportunity and reputation management Solid governance and financial controls 	<ul style="list-style-type: none"> Co-ordination with the Department of Trade Industry and Competition The Agency is financially underresourced to deliver optimally on its mandate Onerous compliance requirements and reporting Low salaries in relation to other agencies and the private sector

Opportunities	Threats
<ul style="list-style-type: none"> Establish a better destination and economic brand hierarchy for global marketing efforts Shifting global economic trends presenting new opportunities for innovation, investment, trade, tourism and film Sectors geared for growth in the future are strongest in the Western Cape Inter- and intra-agency collaboration to drive the nation's growth agenda Enhancement of thought leadership capability Strengthening relationships with stakeholders and the private sector Increase revenue generation sources 	<ul style="list-style-type: none"> The COVID-19 pandemic impacting all activities of the Agency Lack of collaboration between role players and duplication of efforts Negative perceptions of SA that affect confidence in the destination The impact of climate change on the economy Increasing pressure on economic infrastructure Exchange rate fluctuations Safety and security issues (perceived and real) High level of youth unemployment Skills development not in line with changing industry needs

2.3. key policy developments and legislative changes

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

2.4. strategic outcome-oriented goals

The Agency has made significant strides towards the achievement of its strategic goals by adopting an outcomes-based approach focussed on results. From the commencement of the 2016/17 reporting cycle to 2018/19, the Agency committed a total of 39 projects with an investment value of R6,64bn, facilitating a total of 2 462 jobs.

Aimed at increasing the value of global exports and assisting companies in expanding into Africa, the Agency has adopted a more proactive approach, which has yielded positive results. A total of 173 trade agreements were signed, with an estimated export value of over R16bn, facilitating 2 381 jobs for the period 2016/17 to 2018/19. In addition, the Agency committed 18 OFDI projects, with an investment value of R1bn for the same period.

To promote the region as a preferred tourism and business destination, the Agency implemented and supported various tourism initiatives. Aligned to the Western Cape Government's key areas of focus, the Agency has delivered on specific initiatives that contribute to regional growth and job creation. The Agency supported a total of 80 tourism marketing initiatives, with an estimated economic value of R2,03bn for the period 2016/17 to 2018/19.

Furthermore, the Agency is committed to building a globally competitive film sector within the Province and has implemented a robust strategy aimed at strengthening the sector and attracting productions to the province. The Agency also signed a total of 19 film and media declarations, with an estimated value of over R5bn, facilitating a total of 7 980 FTE jobs for the period 2016/17 to 2018/19.

Table 4: Strategic goal

Strategic goal	To grow the Western Cape economy through investment, trade, tourism and film promotion.
Outcome statements	<p>It is envisaged that the Agency will achieve the following deliverables for 2015/16 to 2019/20:</p> <ul style="list-style-type: none"> To market Cape Town and the Western Cape as the tourism destinations for growing international and domestic tourist numbers To recruit and facilitate between R5,82bn and R9,8bn of direct investment in the province To recruit and facilitate between R508m and R1,23bn OFDI and facilitate an estimated rand value of trade promotion business deals of between R2,5bn and R4,7bn To build a strong regional economic brand that positions the Cape as an inspiring place to do business
Baseline	A total of R6,64bn investment was committed from the 2016/17 to the 2018/19 financial years, resulting in 2 462 jobs. The Agency secured 173 trade agreements, with an export value of over R16bn, resulting in 2 381 jobs. A total of over R1bn in OFDI was committed. The Agency supported 80 tourism marketing activities, with an estimated economic value of R2,03bn. The Agency signed a total of 19 film promotion declarations with a value of R5bn, resulting in 7 980 FTE jobs
Links	Wesgro plays a pivotal role in investment and trade promotion, and marketing Cape Town and the Western Cape as tourism and film destinations

3. performance information by programme

3.1 programme 1: corporate services

Purpose

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

Programme structure

Sub-programme 1.1: Financial management

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

Sub-programme 1.2: IT and administrative services

As a provincial public entity, the Agency 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 management systems within the public sector is achieved, and transparency and accountability are maintained and visible. The corporate services programme has a focus on maintaining sound IT and administrative systems and infrastructure. Effective systems and processes are necessary to maintain credibility, ensure accountability, improve operating efficiencies and generate institutional memory.

Sub-programme 1.3: Human resources management

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

Sub-programme 1.4: Monitoring and evaluation

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

Sub-programme 1.5: Strategic projects

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

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

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

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

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

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

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

Since the insourcing of the IT function, the Agency has updated IT infrastructure and streamlined various processes to enhance operational efficiency. Desktop support continues to respond to IT support queries timeously due to the implementation of efficient processes. The annual inflationary staff increase of 6,3% was approved by the Wesgro Board and effected on 1 April 2019.

The Agency ensured that the performance agreements for the 2019/20 financial year were signed, and implemented identified training needs, subject to the available budget. As part of the implementation, the Agency also assisted staff members by allocating funds to their postgraduate studies, which will further assist in developing them professionally. This forms part of the Agency's retention strategy.

The external audit was completed successfully and signed off, and the performance bonus for 2018/19 was approved by the Wesgro Board and paid in August 2019.

The Agency submitted five progress reports and four corporate plans to the relevant stakeholders as legislatively required. The Agency achieved a clean performance audit for the 2018/19 financial year. The Agency was invited to appear before the Standing Committee on Economic Opportunities, Tourism and Agriculture and the Standing Committee on Public Accounts to present the Annual Report for the 2018/19 financial year. The report was well received as the committees welcomed the improved audit outcome. In addition, the Agency appeared before the Standing Committee on Finance, Economic Opportunities and Tourism to table the 2019/20 budget for Vote 12.

Table 5: Strategic objectives

Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
Enhance financial accountability through compliance with all prescribed financial regulations and guidelines	100%	100%	100%	-	
Maintain and enable a reliable and stable network infrastructure through a maximum of four hours of downtime during working hours	4 h 02 min	4 h	10 h 12 min	6 h 2 min	The average downtime is due to emergency maintenance.

Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
Manage staff morale within the Agency by conducting regular climate surveys	85%	80%	-	-	The percentage employee satisfaction was 85% at the beginning of the 2019/20 financial year. Due to operational constraints, the survey was not completed within the anticipated time frame to determine employee satisfaction for the year. Subsequently, the new HR Manager was appointed, and the Climate Survey was conducted in the first quarter of the 2020/21 financial year. The results will be available at the end of August 2020.
Comply with all legislative and regulatory prescripts pertaining to performance management through the submission of performance reports	5	5	5	-	

Key performance indicators, planned targets and actual achievements

Sub-programme 1.1: Financial management

Financial management						
No.	Performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
1.1.1	Number of revenue and projection reports submitted to stakeholders	12	12	12	-	
1.1.2	Number of days taken to process payments made to creditors from date of receipt	30 days	30 days	30 days	-	

Financial management						
No.	Performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
1.1.3	Average turnaround time for approval of workflows from date of receipt	2,49 days	3 days	3 days	-	
1.1.4	Outcome of the external audit for the previous financial year	Clean external audit opinion – with no material findings	Clean external audit opinion	Clean external audit opinion – with no material findings	-	

Sub-programme 1.2: IT and administrative services

No.	Performance indicator	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
1.2.1	Average maximum downtime during working hours	4 h 02 min	4 h	10 h 12 min	6 h 2 min	The average downtime is due to emergency maintenance.
1.2.2	Average turnaround time for responding to logged desktop support IT queries	13 h 25 min	24 h	5 h 63 min	17 h 95 min	Due to the implementation of efficient processes, the Unit was able to respond to desktop support queries timeously.

Sub-programme 1.3: Human resource management

No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
1.3.1	Results achieved based on the outcome of the climate and employee satisfaction surveys conducted	85%	80%	-	-	The percentage employee satisfaction was 85% at the beginning of the 2019/20 financial year. Due to operational constraints, the survey was not completed within the anticipated time frame to determine employee satisfaction for the year. Subsequently, the new HR Manager was appointed, and the Climate Survey was conducted in the first quarter of the 2020/21 financial year. The results will be available at the end of August 2020.
1.3.2	Implementation of the staff performance management system		May 2019	Completed	-	

Sub-programme 1.4: Monitoring and evaluation

No.	Performance indicator	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
1.4.1	Number of performance reports submitted by the deadline as legislatively required	5	5	-	
1.4.2	Number of corporate plans submitted by the deadline as legislatively required	3	3	-	

Sub-programme 1.5: Special projects

No.	Performance indicator	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
1.5.1	Number of performance reports for active projects submitted by the deadlines as stipulated in the signed agreement/s	4	4	-	
1.5.2	Number of project plans submitted per active account	3	3	-	

Strategy to overcome underperformance

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

Changes to planned targets

No targets have been adjusted during the financial year.

Linking performance with budget

Programme	2019/20			2018/19		
	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	19 250	21 729	(2 479)	15 816	15 341	475
Total	19 250	21 729	(2 479)	15 816	15 341	475

3.2 programme 2: investment promotion

Purpose

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

Programme structure

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

Strategic objective

Facilitate investment and job creation in the Western Cape.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of 18 investment projects, to the value of R2,24bn, against a target of R1,62bn-R2,5bn. This resulted in the creation of 1 485 jobs and growing the Western Cape's industrial base. Investment performance has focussed on the commercialisation of investments in the renewable energy and manufacturing sectors, among others. The table below provides a breakdown of committed investment projects and the number of jobs created during the financial year under review:

Table 6: Committed investment projects 2019/20					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
Silvertree	South Africa	Food e-commerce	100 000 000	500	City of Cape Town
Construct	United Kingdom	Technology	42 000 000	150	City of Cape Town
Hayden Cobra	South Africa	Manufacturing	10 000 000	10	City of Cape Town
Arteche	United Arab Emirates	Real estate and infrastructure	250 000 000	50	City of Cape Town
Ukubuya	South Africa	Waste and agri	100 000 000*	12	City of Cape Town
Diamond Lines Tourism	Saudi Arabia	Tourism	5 000 000	5	City of Cape Town
Toronto Group	Canada	Agriculture / Waste	65 000 000*	60	City of Cape Town
Granate	South Africa	Financial services	40 000 000	20	City of Cape Town
Asrin Property Developers	South Africa	Real estate	46 500 000	200	City of Cape Town
Tramper Technology	Netherlands	Manufacturing	10 000 000	25	City of Cape Town
Montsi Group	South Africa	Engineering services	250 000 000	25	City of Cape Town
Montpelier Investments	United Kingdom	Services	5 700 000	5	City of Cape Town
Cannsun	Canada	Agriculture and pharmaceuticals	600 000 000*	60	City of Cape Town
New Earth Recycling	South Africa	Recycling	5 000 000*	12	City of Cape Town
AMC Cookware	South Africa	Renewable energy	1 250 000*	39	City of Cape Town
Quantam V3 Holdings/ Iconic Gases	South Africa	Renewable energy	10 000 000*	12	City of Cape Town
Golden Arrow	South Africa	Renewable energy	5 000 000*	0	City of Cape Town
Roche	USA	Pharmaceuticals	700 000 000	300	City of Cape Town
Total			2 245 450 000	1 485	

Projects labelled with an asterisk (*) were facilitated with Green Cape and have been reflected accordingly under the 50/50 SLA agreement. During the course of the 2019/20 financial year, the Unit recruited a total of 114 new quality investment projects into the project pipeline. Through the adoption of a more proactive approach to targeting investors locally and internationally, the Unit exceeded the annual target for project recruitment. The Unit has been aggressive in its engagements with sector development agencies (SDAs) to solicit leads, with 88 engagements held with SDAs for the financial year. The Unit also held 48 engagements with national governmental entities in order to expedite client requests.

The Unit embarked on the following 25 outward missions during the financial year:

Table 7: Outward missions		
Country	Month	Sector
Netherlands	April	Multisector
USA (San Francisco and New York)	May	Multisector
USA (Houston)	May	Oil and gas
UK	May	Multisector
Netherlands	May	Tech
France	May	Multisector
Belgium	June	Multisector
Luxembourg	June	Multisector
Japan	August	Multisector
China (Chengdu)	September	Green economy
United States (Miami)	September	Multisector
Colombia	September	Multisector
China (Hong Kong)	September	Multisector (Belt & Road Summit)
China (Beijing)	September	Multisector
Portugal	September	Tech
Germany	September	Tech
Thailand	October	Multisector
Canada	October	Green economy
Oman	October	Multisector
Saudi Arabia	October	Multisector
United Arab Emirates	October	Multisector
United Arab Emirates	November	Oil and gas; Manufacturing
India	November	Tech
China (Hong Kong)	January	Multisector
United Arab Emirates (Abu Dhabi)	January	Green economy

A total of 48 inward business delegations to market the Western Cape to potential investors were hosted from the following countries: China (x13), rest of South Africa (x6), USA (x3), Canada (x3), Thailand (x3), Brazil (x3), Japan (x2), United Arab Emirates (x2), Singapore (x2), Austria (x2), Germany, France, the Netherlands, Saudi Arabia, Portugal, Qatar, Malaysia, Ireland and St Helena (x9).

Special projects – Agribusiness Investment Unit (AIU)

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

Purpose

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

Strategic objective

Facilitate investment and job creation in the Western Cape.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of six investment projects, to the value of R557m, against a target of R400m-R500m. This has assisted in the creation of 635 jobs against a target of 200-280. The table below provides a breakdown of committed investment projects and the number of jobs created during the financial year under review.

Table 8: Agribusiness Investment Unit (AIU) Committed investment projects 2019/20					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
Tomis Group	South Africa	Agribusiness	200 000 000	350	Drakenstein Municipality
Almond Creamery	South Africa	Agribusiness	20 000 000	20	City of Cape Town
Felbridge (Pty) Ltd	South Africa	Agribusiness	120 000 000	150	Cape Winelands Municipality
Italian Cheese Academy	Italy	Agribusiness	10 000 000	5	City of Cape Town
Sphere Solutions	South Africa	Agribusiness	200 000 000	100	City of Cape Town
OceanHub Africa	South Africa	Agribusiness	7 000 000	10	City of Cape Town
TOTAL			557 000 000	635	

The Unit recruited a total of 34 new quality investment projects into the project pipeline. Further to this, the Unit held eight engagements with SDAs, attended 19 industry events, held 34 engagements with national government and SOEs and 180 corporate engagements.

The Unit embarked on four outward missions during the financial year. The table below provides a breakdown of the outward missions embarked on during the financial year.

Table 9: Outward missions		
Country	Month	Sector
UK	May 2019	Agribusiness
Netherlands	September 2019	Agribusiness
Germany	September 2019	Agribusiness
USA (Washington DC)	March 2020	Agribusiness

Special projects – InvestSA One Stop Shop: Western Cape

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

Purpose

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

Performance overview

The Unit facilitated a total of 15 regulatory approvals, thereby assisting the Investment Promotion and Agribusiness Investment Unit in securing R1,073bn and 322 jobs during the period under review. The One Stop Shop’s performance has contributed significantly to the objectives set out by InvestSA in that it continues to play a role in enhancing the ease of doing business for local and international companies.

The table below provides a breakdown of the 13 regulatory issues resolved during the period under review.

Table 10: Regulatory issues resolved 2019/20			
Company	Source country	Broad sector	Partner organisation
Hoody Productions CC	South Africa	Textile	SARS
Walker Bay Spices	South Africa	Agro-processing	SARS (VAT)
Yokico	Australia	Retail	SARS and DoL
Café du Cap	South Africa	Food and beverage	Liquor Board
Fruitco	South Africa	Agribusiness	The dtic
Fruitco	South Africa	Agribusiness	SARS
Atlantis Manufacturing	South Africa	Manufacturing	National Regulator of Compulsory Standards (NRCS)
Silver Lining 360	South Africa	Film	The dtic
Ucook	South Africa	Agribusiness	Liquor Board
Panasonic	Japan	Manufacturing	National Regulator of Compulsory Standards (NRCS)
Mustacchio Café	Italy	Food and beverage	Liquor Board
Walker Bay Spices	South Africa	Agribusiness	SARS (Euro1 export certification)
Distell	South Africa	Agribusiness	The dtic

Special projects – District Unit

Purpose

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

Strategic objectives

- Provide greater economic promotion support to all non-metro municipalities in the Province.
- Provide support to district-based businesses and represent the districts as attractive destinations via upstream linkages to Wesgro and its support service offering to businesses.

Performance overview

Priority was placed on two key areas: i) relationship building with municipalities, and ii) developing a district project pipeline since its launch on 25 July 2020. Subsequently, 40 local and district municipal engagements took place during the financial year. There have also been 12 new quality investment projects recruited into the district unit project pipeline which the unit aims to commit during the remainder of the five-year strategy.

The table below provides a breakdown of the projects recruited during the financial year.

Table 11. Pipeline projects 2019/20			
Company	Sector	Estimated value R(m)	District
Green Fingers Mobile	Agri-tech	R10 000 000	Cape Winelands
Adama Wines	Agro-processing	R34 500 000	Cape Winelands
Classic Paints	Manufacturing	R5 000 000	Garden Route
Creating Hope Africa	Agribusiness	R110 000 000	West Coast
Banhoek Chilli Oil	Agro-processing	R20 000 000	Cape Winelands
CAPNPC	Agro-processing	R5 000 000	Overberg
Bloomia	Agro-processing	TBC	Cape Winelands
Innovative living solutions	Agro-processing	R2 000 000	Overberg
Herald Meander	Agro-processing	R100 000 000	Garden Route
Riversdale Sawmill	Agro-processing	R50 000 000	Garden Route
Darling Brew	Agro-processing	R40 000 000	West Coast
Fruitlips	Agro-processing	R20 000 000	West Coast
TOTAL		R396 000 000	

Strategic objectives

Investment promotion						
No.	Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/201	Deviation from planned target	Comments
2.1	Rand value of committed investments in the province	R2,22bn	R1,62b-R2,5bn	R2,24bn	-	Performance within band.

Investment promotion						
No.	Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/201	Deviation from planned target	Comments
2.2	Number of jobs facilitated from committed investments in the province	752	640-1 370	1 485	845	The projects realised were more labour-intensive, which resulted in the overperformance.

Strategic objectives: Agribusiness

Agribusiness Investment Unit						
No.	Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
2.4.1	Rand value of committed investments in the agribusiness sector in the province	R635,94m	R400m-R500m	R557m	R157m	The projects realised were more capital-intensive, which resulted in the overperformance.
2.4.2	Number of jobs facilitated from committed investment in the agribusiness sector in the province	487	200-280	635	435	The projects realised were more labour-intensive, which resulted in the overperformance.

Key performance indicators, planned targets and actual achievements Investment promotion

Investment promotion						
No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
2.1.1	Number of investment projects realised	15	17	18	1	The additional project was secured sooner than anticipated due to the expedition of facilitation services.

Agribusiness Investment Unit

Agribusiness Investment Unit						
No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
2.4.1	Number of investment projects realised in the agribusiness sector	6	8	6	-2	Projects that were set to materialise in quarter 4 of the financial year were placed on hold due to further engagements required.

InvestSA One Stop Shop: Western Cape

InvestSA One Stop Shop						
No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
2.5.1	Average time taken to respond to investment enquiries from date of receipt	0,95 days	3 days	1 day	2 days	The Unit maintained the high performance standard in this area.
2.5.2	Number of regulatory issues resolved	13	15	15	-	

Strategy to overcome areas of underperformance

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

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance to targets

Programme	2019/20			2018/19		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)
Investment promotion	6 115	5 585	530	5 601	5 050	551
Total	6 115	5 585	530	5 601	5 050	551

3.3. programme 3: trade promotion

Purpose

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

Programme structure

The programme is divided into two sub-programmes:

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

Sub-programme 3.1: Trade promotion

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

Sub-programme 3.2: African expansion (OFDI)

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

Strategic objectives

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

Strategic objectives, performance indicators, planned targets and actual achievements

During the financial year under review, the Unit signed a total of 37 business agreements, with an estimated economic value of R3,08bn, resulting in 973 jobs. Through the expedition of facilitation services, the Agency finalised the deals sooner than anticipated.

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

Table 12 . Global exports 2019/20					
Company	Source country	Broad sector	Rand value (R')	Jobs	District
The Duchess Virgin	Japan	FMCG	7 187 821	8	77 Hout Street, Cape Town
Caffenu	Japan	Agro-processing	1 790 000	2	15 Dawn Road, Montague Gardens, Cape Town
Fynbos Fine Foods	Cameroon	Agro-processing	5 000 000	60	Tierfontein, Fynbos Avenue, Malmesbury
Buy Africa	Ethiopia	ITC/Stainless steel	1 200 000	5	21 Door de Kraal Ave, Kenridge
Good Harvest Market (Pty) Ltd	Ethiopia	FMCG and agriproducts	70 000 000	100	Foyer 3, First Floor, Colossium Building, Century Way, Century City
Pura Beverage Company	Japan	Agro-processing	2 600 000	2	Unit 3, 8 Stibitz St, Westlake, Business Park 7945
Spirit of Rooibos	South Korea	Agro-processing	4 000 000	4	Unit 31, Prosperity Park, Computer Road, Marconi Beam, Montague Gardens, Cape Town
Fresh Soil Products (Pty) Ltd	South Korea	Agro-processing	1 500 000	1	5 Bietou Street, De Bron, Bellville
Vumile Nkewu Investments	South Korea	Agro-processing	5 000 000	43	MQ21 Firans Street, Mbekweni Paarl 7655

Table 12 . Global exports 2019/20

Company	Source country	Broad sector	Rand value (R')	Jobs	District
Artisans Research Unit (Pty) Ltd	France	Manufacturing/Retail	2 465 000	2	Unit 59, The Old Timber Yard, 7th Ave, Maitland
Grandeur Interiors	Nigeria	Lifestyle	20 000 000	15	Sea Point, Cape Town
Alchem	Côte d'Ivoire	Cosmetics	55 000 000	6	5 Watsonia Street, Tulbagh
Distrimex	Côte d'Ivoire	Agribusiness	1 000 000	0	29 Watsonia Road, Bloubaerg
Unichoice Product Direct	Côte d'Ivoire	Agribusiness	500 000 000	0	Polo Village Unit B2, Val de Vie, Paarl
One of Each	Brazil	Leather	10 500 000	2	4th Floor, 17 Buitenkant Street, Norlen House, Cape Town
Caffenu	Japan	Manufacturing	38 000	0	Unit 4, 15 Dawn Road, Montague Gardens, Cape Town
Munch Innovation	Dubai	Agro-processing	100 000 000	60	Finpark, 12th Avenue, Maitland
Jenrad Corporation (Pty) Ltd	Singapore	Agro-processing	140 000 000	7	25 Viridian Street, Burgundy Estate, Cape Town
Good Harvest Market (Pty) Ltd	Mozambique	Agribusiness (Wine)	125 000 000	30	Foyer 3, 1st Floor, The Colosseum, Century Way, Century City
Thokozani Winelands Investments (Pty) Ltd	Ghana	Agribusiness (Wine)	511 253,75	2	R301 Jan van Riebeeck Road, Wellington
Siwela Wines	Ghana	Agribusiness (Wine)	2 500 000	30	19 Dartford Drive, D13 Hamsley Place, Parklands
Koni Wines	Ghana	Agribusiness (Wine)	1 500 000	3	Long Grove Mews, Station Road, Mowbray, Cape Town
M'hudi Wines	Ghana	Agribusiness (Wine)	4 000 000	16	Old Paarl Road, Stellenbosch
Libby's Pride Wines	Ghana	Agribusiness (Wine)	5 000 000	150	17 Woodrow Way, Zeekoevlei
Good Harvest Market (Pty) Ltd	Côte d'Ivoire	Agribusiness	8 000 000	80	Foyer 3, 1st Floor, The Colosseum, Century Way, Century City
Skin Creamery	Malaysia	Cosmetics	1 738 590	3	5 Harry de Stadler Close, Fish Hoek
Fynbos Fine Foods	Germany	Agro-processing	6 000 000	70	Teirfontein, Fynbos Ave, Malmesbury
Cape Foods (Pty) Ltd	Germany	Agro-processing	140 000 000	30	1 Ruby Boulevard, Montague Park, Montague Gardens, Cape Town

Table 12 . Global exports 2019/20

Company	Source country	Broad sector	Rand value (R')	Jobs	District
Cape Herb & Spice (Pty) Ltd	Germany	Manufacturing	10 000 000	0	50 Bell Crescent, Westlake Business Park, Westlake, Cape Town
Southern Right Foods (Pty) Ltd	Mozambique	Agro-processing	200 000 000	40	24 Industrie Street, Industrial, Kuilsriver
Taste Africa Foods	USA	FMCG	350 000 000	12	5 Primrose Ave, Upper Claremont
Cape Dried Fruit Packers	Germany	Agro-processing	400 000 000	40	102 Bath Street, Montagu 6720
Bester Fruit & Nuts	Malaysia	Agro-processing	800 000 000	130	Platinum Square, 20 Techno Drive, Technopark, Stellenbosch
Bester Fruit & Nuts	Germany	Agro-processing	1 250 000	0	Platinum Square, 20 Techno Drive, Technopark, Stellenbosch
Pura Beverage Company	Malaysia	FMCG	12 000 000	5	Unit 3, 8 Stibitz Str, Westlake Business Park, Cape Town
Cape Herb & Spice (Pty) Ltd	USA	Agro-processing	15 000 000	0	50 Bell Crescent, Westlake Business Park, Westlake, Cape Town
Total			3 084 780 664	973	

In addition, the Agency committed a total of seven OFDI projects to the value of R428,75m. The table below provides a breakdown of the declarations signed.

Table 13. Outward foreign direct investments (OFDIs) 2019/20

Company	Source country	Broad sector	Rand value (R')	Jobs	District
Vumile Nkewu Investments	South Korea	Agro-processing	10 000 000	20	MQ21 Firans Street, Mbekweni, Paarl 7655
Flickswitch	Ethiopia	Telecom	10 000 000	10	130 Bree Street, Cape Town
Resulta Exporters (Pty) Ltd	Ethiopia	Consulting engineering	90 000 000	13	Kabouters Farm, Paradyskloof Road, Stellenbosch
African Financial Group	Ethiopia	Healthcare/Textiles/Property	45 000 000	20	8th Floor, Firestation Building, 16 Baker Street, Rosebank, Jhb
Toungah International	Cameroon	Services	250 000 000	5	226 Koeberg Road, Rugby, Milnerton, Cape Town

Table 13. Outward foreign direct investments (OFDIs) 2019/20

Company	Source country	Broad sector	Rand value (R')	Jobs	District
Bester Dried Fruit & Nuts	Malaysia	Agro-processing	20 000 000	20	Platinum Square, 20 Techno Drive, Technopark, Stellenbosch
Bester Dried Fruit & Nuts	Germany	Agro-processing	3 750 000	0	Platinum Square, 20 Techno Drive, Technopark, Stellenbosch
Total			428 750 000	88	

Wesgro's Export Advancement and Promotion (EAP) training programme redeveloped its strategy to improve the services it offered to companies. The EAP focussed on building export competence and capability of companies in the Western Cape. The initiative focussed on export training, Dutch-based international mentoring and advisory services to clients facing challenges in market access, expansion and export capability.

A significant number of companies expressed interest in the EAP programme. The section below provides a snapshot of the highlights for the financial year under review:

- The EAP programme supported companies by addressing all aspects of the export process through theory and practical methodologies. Modules cover orientation to export, preparing to export and developing an export marketing plan, financial risk management, export costing and logistics. Two training sessions were provided during the year under review and both were oversubscribed.
- Export one-on-one mentorship, whereby exporters are provided with practical guidance in order to internationalise their businesses.
- Business Development Mentorship (PUM) is a Dutch mentorship programme for Western Cape companies needing business guidance on process improvement to boost exports. Skills transfer is tailored to the exporter's requirements, which are enhanced by the PUM mentor's extensive global experience.
- Through these mentorship programmes, Wesgro's Export Unit supported 15 companies during the financial year under review. Sectoral focusses were the following: agro-processing, interior design and manufacturing, clothing and textiles, leather and footwear, and the natural ingredients and cosmetics sectors.

Wine promotion

The Unit managed the wine project on behalf of the Department of Economic Development and Tourism (DEDAT). In collaboration with Wines of South Africa (WOSA), the Unit is currently driving virtual missions to Angola, Uganda, Mozambique and Ghana. A total of R500 000 was paid to WOSA for online Western Cape wine promotion in China.

Strategic objectives

Sub-programme 3.1: Trade promotion

Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
Estimated rand value business agreements signed	R4,97bn	R2,15bn-R2,8bn	R3,08bn	R934,78m	The business agreements realised a greater economic value than expected.
Number of jobs facilitated from business deals signed	921	258-483	973	715	The signed business agreements were more labour-intensive, which resulted in the overperformance.

Sub-programme 3.2: African expansion (OFDIs)

Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
Rand value of committed OFDI declarations signed	R381m	R206m-R525m	R428,75m	R222,70m	The business agreements were signed sooner than anticipated.

Key performance indicators, planned targets and actual achievements

Sub-programme 3.1: Trade promotion

No.	Performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
3.1.1	Number of business agreements signed	79	40	37	-3	The business agreements that were set to materialise in quarter 4 of the financial year were placed on hold due to further engagement required.

Sub-programme 3.2: African expansion (OFDI)

No.	Performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
3.2.1	Number of OFDI declarations signed	9	7	7	-	

Strategy to overcome underperformance

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

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2019/20			2018/19		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/Under-expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over-)/Under-expenditure (R'000)
Trade promotion	8 810	8 547	263	8 028	8 562	(534)
Total	8 810	8 547	263	8 028	8 562	(534)

3.4. programme 4: research

Purpose

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

Strategic objectives

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

Strategic objectives, performance indicators, planned targets and actual achievements

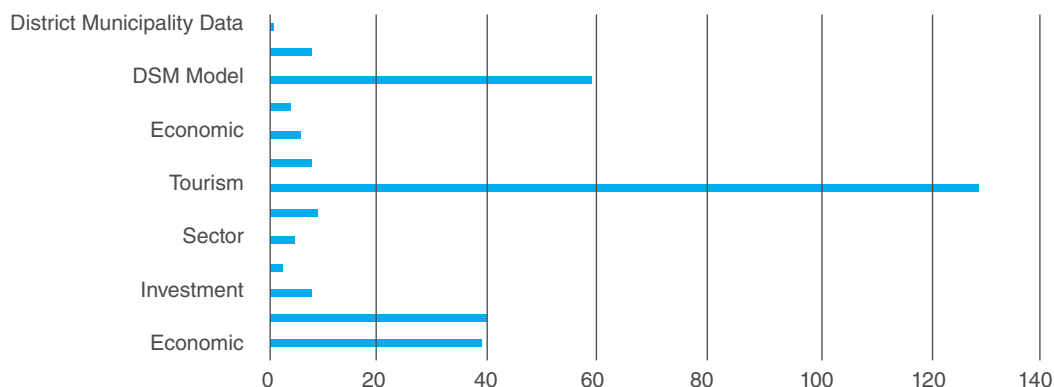
The Unit produced a total of 104 publications during the financial year under review.

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

Table 14. Publication type	
Country	32
Country sector	1
District	6
Investment	1
Sector	12
Strategy	5
Thought leadership	9
Tourism	33
Total	104

The Wesgro Research Unit completed 332 information requests in the financial year. The information requests were completed at an average turnaround time of 1,4 days.

Queries 2019/20



A total of 61 delegations were presented to during the financial year, including inward delegations for trade and investment, briefing sessions for exporters, and trade missions.

Strategic objectives

Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
Turnaround time to provide customised research and information in support of the core functions of the Agency	1,4 days	3 days	1,4 days	1,6 days	The Unit maintained the high performance standard in this area.

Key performance indicators, planned targets and actual achievements

No.	Performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
4.1.	Number of relevant tourism, trade and investment publications developed	105	100	104	4	Additional publications were required based on the needs of the Agency.
4.2	Average turnaround time to complete research requests from date of receipt	1,4 days	3 days	1,4 days	1,6 days	The Unit maintained the high performance standard in this area.

Strategy to overcome underperformance

N/A

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2019/20			2018/19		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)
Research	4 273	2 793	1 480	3 394	2 931	463
Total	4 273	2 793	1 480	3 394	2 931	463

3.5. programme 5: marketing and communication

Purpose

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

Programme structure

The programme is divided into two sub-programmes:

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

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

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

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

Strategic objectives

- Improve the position of the Agency and the destination with shareholders, citizens, domestic and international business.
- Manage the reputation of the Agency and destination through media opportunities.

Performance overview

Although the financial year has been challenging, the Unit has performed well. A total of 25 strategic media engagements and 57 strategic corporate events were hosted. These events allowed Western Cape businesses and the media to understand the opportunities available in the Province. These events spanned tourism, trade, investment and Air Access, and involved our partners at all levels of government. The Unit generated R58,37m in AVE, due to the array of marketing initiatives implemented throughout the year. It also provided marketing support to the InvestSA One Stop Shop, Atlantis SEZ and Invest Cape Town as brands in the economic ecosystem.

The Unit is committed to driving the business narrative and produced a “10 reasons to invest in Cape Town and the Western Cape” advertising value (AV) aimed at assisting stakeholders, partner governments, investment promotion specialists and the private sector in marketing the Western Cape for investment. This hard-sell AV included a booklet and PowerPoint presentation for in-market use as part of a dedicated toolkit. The Unit completed an Investor Confidence Campaign, a “Place of More”, which showcased the proof points in the destination via a novel idea and targeted media buy-in to key investment source markets. In addition, we created sub-campaigns of the greater “More Than” campaign to promote Invest Cape Town, Halal and Air Access to the US market (as part of push to land non-stop routes), and InvestSA One Stop Shop awareness in key source markets.

The second half of the year saw the creation of the “Open for Business” Investor Confidence Campaign, focussing on promoting the Province as the preferred business destination by promoting priority sectors of the City of Cape Town and the Province. Off the back of the successful Investor Confidence Campaign in early 2019, the new campaign was developed to retarget almost 16,5 million potential investors via digital channels to drive the new objective of lead generation. Following global best practice, the content crosses borders, is sector-based, retargeting activities and interests, with compelling content and the latest statistics. The campaign’s priority sectors include BPO, creative industries, agribusiness, maritime manufacturing, electronics manufacturing, real estate and tech.

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

The new Wesgro website was launched during the financial year. The new website is based on a user in design, which focusses on the user journey, SEO, and giving business stakeholders access to information as well as key prompts for leads along the journey. The site has a simple, clean design and includes access to research reports, news and views, unit information, success stories, tourism inspiration, meetings and conference information, a virtual tour of the One Stop Shop, as well as multiple sector proofpoint pages and more (www.wesgro.co.za).

Multiple private sector companies and CEOs were profiled as testimonial videos and sent out on social media to help tell the authentic business story of the destination.

In addition, the Unit created the second edition of a magazine called “Pioneers”, profiling multiple tech companies leading the way in innovation in the Province, showcasing the ecosystem, uniting the industry, and positioning the region as “Africa’s tech capital”.

Further to this, the Unit offered an array of marketing support to the Air Access project and drove the campaign to promote the North America route.

Strategic objectives

Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
Rand value of the advertising value equivalent (AVE) generated for the agency	R157,4m	R35m	R58,37m	R23,37m	The Unit maintained the high performance standard in this area.

Key performance indicators, planned targets and actual achievements

No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
5.1	Number of strategic media engagements hosted	45	16	25	9	Additional opportunities arose, which afforded the Agency more engagements with the media.
5.2	Number of strategic corporate agency events hosted	51	20	57	37	Additional opportunities arose, which afforded the Agency more engagements with the media.
5.3	Number of relevant industry events sponsored	5	6	10	4	As part of the various marketing initiatives implemented, opportunities arose for the Agency to support additional events during the financial year.

Strategy to overcome underperformance

NA

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2019/20			2018/19		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)
Marketing and communication	6 156	6 267	(111)	5 823	6 587	(764)
Total	6 156	6 267	(111)	5 823	6 587	(764)

3.6. programme 6: destination marketing organisation (dmo)

Purpose

The purpose of the DMO is to promote the Western Cape internationally and domestically in order to increase the number of visitors. The DMO markets the destination by focussing on business tourism (through its Convention Bureau team), tourism trade, media, influencers and marketing campaigns.

Programme structure

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

This sub-programme is made up of the following strategic initiatives:

- Competitive identity
- Partnership growth strategies in key markets
- Digital management and real-time intelligence
- Growing business tourism
- CRM and stakeholder management

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

This sub-programme is made up of the following strategic initiatives:

- Air Access (which forms part of a separate strategic unit within Wesgro)
- Cape Investor Centre (which forms part of Wesgro's Trade and Investment Unit)
- Local transport marketing

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

This sub-programme is made up of the following strategic initiatives:

- The Cross Cape promotion
- Madiba Legacy Route
- Gastronomy tourism promotion
- Cape of Great Events promotion
- Service level improvement

Strategic objective

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

Performance overview

During the financial year under review, the DMO performed exceptionally well, with all performance targets met and exceeded.

The Tourism Leisure Unit supported a total of 46 tourism marketing initiatives with an estimated economic impact of R935,63m.

The Convention Bureau team secured 52 new bids for the destination, with an estimated economic impact of R1,23bn, with 38 291 expected delegates.

Wesgro was successful in its endeavours to promote Cape Town and the Western Cape, as a preferred tourism destination on the African continent for business and leisure tourists. During the financial year under review, the Agency supported a total of 46 tourism marketing initiatives, with an estimated economic impact of R935,63m. The Agency identified several marketing initiatives throughout the year, which have a measurable estimated economic impact on the province in terms of visitor spend. These opportunities are aligned with the overall objectives of the Western Cape Government, which seeks to drive economic growth of the province through tourism, resulting in the creation of more jobs within the sector.

A highlight of the financial year included securing the 28th World Congress of Nuclear Physics for September 2022. The bid was awarded to iThemba LABS, based in Stellenbosch, a faculty of the National Research Foundation (NRF). The congress, held every three years, is the biggest congress in the world on fundamental nuclear and hadron physics. The congress will not only add to the visitor economy, but also boost the local knowledge economy of the Province and provide a platform for innovation in this field. This is a pivotal step in establishing the destination as a major global contributor to science on the African continent.

It is to be noted that initiatives reported were done prior to the announcement of regulations in South Africa in response to the COVID-19 pandemic that prohibited large gatherings and travel. As the impact and duration of the pandemic are still unknown, the economic impact of those tourism marketing initiatives that have since been postponed or cancelled, will no longer be delivered.

Leisure tourism

The Leisure Tourism Unit exceeded its targets for the 2019/20 financial year. An additional highlight was the 2nd award received for the “Connected by Trail” series at the Golden City Film Festival in Berlin in March 2020. The content platforms for Discover Cape Town and the Western Cape contributed to an increase in the number of followers.

The Leisure Unit supported various initiatives and campaigns, such as the Cape Rouleur with HotChillee, the CEMZA Man challenge with Riaan Manser, profiling the Overberg Meander Route, and the exhibition at the Cape Town Cycle Tour. The Unit further continued to work with key partners and stakeholders to continue promotion and awareness in key source markets with partners such as SATSA, AVIA Reps, Great Wine Capitals and Destination South Africa.

As part of its commitment to enhance regional spread, the Agency supports events throughout the Province. The event industry is a dynamic and fast-growing sector with obvious synergies with tourism. When appropriately hosted, events have the potential to expand the visitor economy, provide media exposure, promote development, and stimulate infrastructure upgrades which include the emergence of new partnerships. The Agency supported 49 leisure events across the Western Cape, that created 4 896 temporary jobs, drove 292 474 visitors to the regions with an estimated economic impact of R278m.

The table below provides a breakdown of the events hosted.

No	Event	Date	Region
1.	Cape Town Adventure Festival	1-13 April 2019	Cape Town
2.	Zoar Oesfees	20 April 2019	Stellenbosch
3.	Jakhals Karoo Battle of the Bikes	20 April 2019	Karoo
4.	Laingsburg Biltong Festival	20 April 2019	Laingsburg
5.	Oh Dam Cederberg Music & Heritage Festival	25-28 April 2019	Cederberg
6.	Walker Bay Extreme	26-29 April 2019	Hermanus
7.	South African Cheese Festival	26-28 April 2019	Stellenbosch
8.	Drakenstein 8Hour Challenge	27-29 April 2019	Drakenstein
9.	Jaguar Simola Hillclimb	2-5 May 2019	Knysna
10.	Gravel & Grape MTB	3-5 May 2019	Breedekloof Valley
11.	Riebeek Valley Olive Festival	4-5 May 2019	Riebeek Valley
12.	Nuy Valley Festival	11 May 2019	Nu Valley
13.	Redstone Hill MTB & Trail Run	10-11 May 2019	Calitzdorp
14.	Darling Brew Extreme	25 May 2019	Darling
15.	Hermanus FynArts	7-17 June 2019	Hermanus
16.	Napier Wine & Patatfees	14-17 June 2019	Napier
17.	iKasie Colour Fun Run	29 June 2019	Knysna
18.	Knysna Oyster Festival	21-30 June 2019	Knysna
19.	Bergriver Canoe Marathon	3-6 July 2019	Bergriver
20.	Around the Pot Overberg 100 Miler	20 July 2019	Overberg
21.	Montagu Book Festival	12-28 July 2019	Montagu

Table 15: Events supported 2019/20

No	Event	Date	Region
22.	Jakhals MTB & Trail Run	24 August 2019	George
23.	The Chocolate Festival	24-25 August 2019	Stellenbosch
24.	Ride2Nowhere MTB	6-8 September 2019	McGregor
25.	Voorkamerfees	6-8 September 2019	Darling
26.	The Piket-Bo-Berg Cycle Challenge	7 September 2019	Piketberg
27.	Wolseley MTB Challenge	7 September 2019	Wolseley
28.	Cape Ultra Triathlon	22 September 2019	Villiersdorp
29.	Sanlam Cape Town Marathon	15 September 2019	Cape Town
30.	George Strawberry Festival	21-22 September 2019	George
31.	!Kkwa ttu Heritage Festival	21-24 September 2019	West Coast
32.	Laingsburg Karoo Ultra Marathon	28 September 2019	Karoo
33.	Hermanus Whale Festival	27-29 September 2019	Hermanus
34.	HotChillee RollerCoaster	5-11 October 2019	Overberg
35.	Java MTB Challenge	12 October 2019	Robertson
36.	Voet van Afrika Marathon	11-12 October 2019	Overberg
37.	Elgin Apple Blossom Festival	11-13 October 2019	Elgin
38.	Legend Runner	26-27 October 2019	Paarl
39.	MTB Expo – Cape Cycle Routes	2-4 August 2019	Cape Winelands
40.	Laingsburg Karoo Festival	1-2 November 2019	Karoo
41.	Saldanha Seafood Festival	2 November 2019	Saldanha Bay
42.	Doringbaai Perlemoen Fees	30 November 2019	Doringbaai
43.	Race2Stanford Triathlon	7 December 2019	Stanford
44.	Proe Paarl Wine and Food Festival	7 December 2019	Paarl
45.	Legend Runner Beach Series	23-29 December 2019	Mossel Bay, Hartenbos, Great Brak River, Struisbaai and Cape Agulhas
46.	Cape Rouleur	1 March 2020	Cape Town
47.	Cape Town Cycle Tour	8 March 2020	Cape Town
48.	Cape Town Carnival (postponed)	21 March 2020	Cape Town
49.	Sun Met	1 February 2020	Cape Town

Strategic objectives

Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
Total estimated economic value of tourism destination marketing initiatives supported	R1,15bn	R188,7m	R935,63m	R746,63m	Additional opportunities arose for the Agency to support an increased number of initiatives.

Key performance indicators, planned targets and actual achievements

No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
6.1	Number of tourism destination marketing initiatives supported	34	13	46	33	Opportunities arose for the Agency to support additional tourism initiatives.
6.2	Number of joint marketing agreements secured	19	19	26	7	Additional opportunities arose during the year, which allowed for more engagements.
6.3.	Number of bids secured	30	26	52	26	The early announcement of the outcome of the bids resulted in the overperformance.
6.4	Economic impact of bids secured	R1,19bn	R280m	R1,23bn	R954m	The additional bids secured resulted in an increase in the economic impact.
6.5	Number of leisure events supported	50	35	49	14	An increase in the amount of event applications resulted in the overperformance.
6.6	Rand value of AVE generated	R85,66m	R22m	R80,17m	R58,17m	The tourism initiatives implemented throughout the year generated more AVE than anticipated.

Strategy to overcome underperformance

N/A

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2019/20			2018/19		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)
DMO	19 026	18 982	44	17 781	17 857	(76)
Total	19 026	18 982	44	17 781	17 857	(76)

3.7. programme 7: film and media promotion

Purpose

Establish a globally competitive film sector in Cape Town and the Western Cape by 2020.

Programme structure

The programme is not divided into sub-programmes.

Strategic objective

Firmly establish a globally competitive film sector by 2020.

Performance overview

The Unit signed a total of five declarations to the value of R2,189bn, resulting in the facilitation of 2 147 full-time equivalent (FTE) jobs.

The table below provides a breakdown of the declarations signed.

Table 16: Media and film productions realised			
Company	Source countries	Rand value (R')	FTE jobs
Film Afrika	USA, UK, South Africa	1 000 000 000	1 202
Moonlighting	USA, Germany, UK, South Africa	615 000 000	608
Interactive Entertainment South Africa (IESA)	USA, France, UK, Germany, Saudi Arabia and other	115 000 000	161
Sea Monster	USA, South Africa and other	24 000 000	35
South African Association of Stills Producers	UK, Germany, USA, France, India, Sweden, Netherlands, Canada, Italy, Poland, Belgium, Denmark, Australia, Brazil, Norway, Spain	435 000 000	141
Total		R2 189 000 000	2 147

The Unit also participated in four outbound international missions to three of the nine co-production treaty countries and the USA. The Film and Media Promotion (FMP) strategy supports these nine countries, as well as BRICS and the USA as growth markets. These missions were to Animation Market (MIFA) in Annecy, France (June 2018), Toronto International Film Festival (TIFF) in Toronto, Canada (September 2018), the European Film Market/Africa Hub at the Berlin International Film Festival in Berlin, Germany (February 2019), and South by South West (SXSW) in Austin, USA (March 2019). FMP marketing collateral was also provided to the trade, investment and tourism outbound missions, with additional collaborations with trade associations.

The Unit, in partnership with industry and inbound missions, provided Export Advancement and Promotion (EAP) upskilling to 1 205 companies.

There were numerous ad hoc facilitations, including visa support, mentoring and strategic B2B networking events. The major B2B and EAP events are aligned with industry festivals, including the Encounters Documentary Film Festival (June 2018), the Wavescape Conservation and Adventure Film festivals (November, December 2018), the Cape Town International Animation Festival (March 2019), the Cape Town International Film Market and Festival, and the inaugural Africa Games Week (December 2018).

Overall, 11 separate inbound missions were facilitated with participant nationalities from 28 countries: Belgium, Botswana, Brazil, Canada, China, Denmark, Egypt, France, Germany, Ghana, Italy, Japan, Kenya, Saudi Arabia, Madagascar, Mauritius, the Netherlands, Nigeria, Norway, the USA, the UK, Singapore, Switzerland, Tanzania, Tunisia, Russia, Uganda and Zambia. Some inbound missions were a collaboration around industry events for the festivals mentioned above.

Overall, 75 Western Cape companies were assisted on their outbound missions to six countries: American Film Market, Los Angeles USAMIFA in Annecy, France, Sheffield Film Festival in the UK, the Toronto International Film Festival in Toronto, Canada, and SXSW in Austin, Texas, USA.

Locally, the FMP team attended the festival and market in Durban and the DISCOP market in Johannesburg, as well as four quarterly South African Audio Visual Forum (SAAVF) meetings – a national steering group made up of the dtic, IDC, ICASA, SABC, GFC, KZNFC, Wesgro, various metropolises and ECDEVs.

The FMP team hosted the SAAVF Animation breakaway session during the Cape Town International Animation Festival. Wesgro also works with stakeholders at regional and national levels, such as the various departments and ministries whose work might impact the film industry, including the departments of Home Affairs and International Relations, with the aim of driving an ease of doing business across all legislative and policy frameworks that impact the industry, intellectual property, incentives, visas, the ongoing issues with SANParks (together with DEDAT), etc. The FMP team also attended the first inaugural Film Summit produced by the Department of Arts and Culture, and one planning meeting (as part of DISCOP/SAAVF meeting).

The Creative Locations book was updated – an e-version, and the fourth edition was published in hard copy.

Strategic objectives

Strategic objective performance indicators	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments
Rand value of media and film productions brought into the province	R2,36bn	R1,54bn-R2,62bn	R2,189bn	R649m	Performance within band.
Number of jobs facilitated through the productions brought into the province	2 265 FTE jobs	2 500-3 500 FTE jobs	2 147 FTE jobs	-353	The inability to finalise the outstanding declarations within the anticipated timeframe negatively impacted the number of jobs facilitated, which resulted in the underperformance.

Key performance indicators, planned targets and actual achievements

Film and media promotion						
No.	Performance indicator	Actual achieved 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target	Comments on deviation
7.1	Number of film and media productions brought into the province	5	7	5	-2	The outstanding declarations were not finalised within the anticipated timeframes as some productions were still in the development phase.

Strategy to overcome areas of underperformance

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

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2019/20			2018/19		
	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)	Budget (R'000)	Actual expenditure (R'000)	(Over-)/ Under-expenditure (R'000)
Film and media promotion	4 300	2 685	1 615	2 500	2 097	403
Total	4 300	2 685	1 615	2 500	2 097	403

4. Revenue collection

Sources of revenue	2019/20			2018/19		
	Budget (R'000)	Actual amount collected (R'000)	(Over-)/ Under-collection (R'000)	Estimate (R'000)	Actual amount collected (R'000)	(Over-)/ Under-collection (R'000)
Provincial Treasury (DEDAT)	66 371	67 221	(850)	59 226	59 226	0
City of Cape Town	14 110	13 360	750	9 364	9 364	0
Project funding	101 923	101 923	0	34 373	58 231	(23 858)

Sources of revenue	2019/20			2018/19		
	Budget (R'000)	Actual amount collected (R'000)	(Over-)/ Under-collection (R'000)	Estimate (R'000)	Actual amount collected (R'000)	(Over-)/ Under-collection (R'000)
Interest	812	432	380	2 931	1 762	(1 169)
Other income	340	284	56	1 004	889	115
Total	183 163	182 827	336	106 898	129 472	22 695

The Agency received funding from DEDAT, the City of Cape Town and other private funders. For the period under review, DEDAT funded the Agency R47,5m for investment and trade promotion activities, R44,9m for destination marketing, and R36,3m for the Atlantis Special Economic Zone.

Funding from the City of Cape Town was R29,2m, and out of this total, R13,3m was for Wesgro Opex and trade and investment facilitation, and R15,9m for special projects, which included Air Access (R6,8m), Film (R2,3m), One Stop Shop (R1,3m), business tourism (R1,3m), Biotech Industry Initiative (R500k), Cruise Cape Town (R800k) and the Invest in Cape Town brand (R3,2m).

Other project income included agribusiness (R2,5m) from the Western Cape Department of Agriculture, and Visit Knysna Office (R4,2m) from the Knysna Municipality.

Other income was received from the participation agreement signed by the DMO and other business sharing spaces at trade shows, and interest generated from the Agency's investment in the Corporation of Funds. A total of R432 000 was received in interest. The reallocation of the interest to deferred income balances was processed during the year. Due to the Day Zero impact on the City of Cape Town budget allocation in the prior year, Wesgro was authorised to retain a higher proportion of the interest accrual in the prior year.

4.1. Capital investment

N/A







part c

governance

part c: governance

1. introduction

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

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

With effect from 01 April 2012, the Agency became responsible for the destination marketing function of Cape Town Routes Unlimited (CTRU). The Western Cape Tourism Act, 2004 (Act 1 of 2004) was repealed in August 2013, at the same time that the Wesgro Act was amended.

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

2. executive authority

The 2019/20 Annual Performance Plan was submitted to the Minister of Economic Opportunities in February 2018, with no issues raised.

3. the accounting authority / board

Wesgro has a unitary Board with members appointed by 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 the category B municipalities and the other representing the category C municipalities), and three ex officio members (of which one senior official is nominated by the Minister, one senior official is nominated by the Executive Mayor of the City of Cape Town, and the Chief Executive Officer of Wesgro). The roles and responsibilities of the Board are clearly articulated in the Wesgro Act, 1996, as amended.

Board charter

The Board Charter was reviewed and approved by the Board.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Area of expertise	Other committees or task teams (e.g. Audit Committee / ministerial task team)	No of meetings attended			
						Board (4)	HR&R (4)	Audit, IT and Risk (4)	Other
Prof Brian Figaji	Chairperson	08/2014	30/06/2020	Business	-	4	-	-	6
Mr Michael Spicer	Deputy Chairperson	08/2014	-	Business	-	4	-	-	5

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Area of expertise	Other committees or task teams (e.g. Audit Committee / ministerial task team)	No of meetings attended			
						Board (4)	HR&R (4)	Audit, IT and Risk (4)	Other
Mr Ian Bartes	Director	08/2014	-	Business and marketing	Chairperson of the Audit, IT and Risk Committee	4	-	4	3
Ms Andrea Böhmert	Director	08/2014	-	Business	Member of the Audit, IT and Risk Committee	4	5		-
Mr Paul Bannister	Director	08/2014	-	Marketing and media	Member of the Human Resource and Remuneration Committee	4	-	-	3
Jonny Copelyn	Director	06/2019	-	Business and hospitality	-	3	-	-	-
Ruwaida Eksteen	Director	06/2019	-	Law, governance, risk and compliance	-	3	-	-	-
Judith February	Director	12/2019	20/03/2020	Law and business	-	1	-	-	-
Mr David Green	Director	11/2015	-	Business	-	3		4	4
Ald Marius Koen	Director	02/ 2016	-	Public sector and economic development	-	-	-	-	-
Ald (Dr) Helena von Schlicht	Director	02/2017	-	Public sector, economic development and real estate	Member of the Human Resource and Remuneration Committee	2	2	-	-
Mr John van Rooyen	Director	02/2017	-	Tourism, hospitality and business	Member of the Audit, IT and Risk Committee	3	1	4	1
Ms Palesa Morudu	Director	11/2017	31/05/2019	Business, media, publishing and journalism	Member of the Audit, IT and Risk Committee	1		1	1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Area of expertise	Other committees or task teams (e.g. Audit Committee / ministerial task team)	No of meetings attended			
						Board (4)	HR&R (4)	Audit, IT and Risk (4)	Other
Independent committee members									
Mr Paul Slack	Independent committee member	06/2014	-	CA(SA)	Member of Audit, IT and Risk Committee	-	-	3	1
Mr Danny Naidoo	Independent committee member	06/2014	-	CA(SA)	Member of Audit, IT and Risk Committee	-	-	3	-

Other:

Wesgro Board Strategy Session

Wesgro Special Committee Meeting

Wesgro Board Sub-Committee Meeting

CEO Performance Review

Cape Town Film Studio Evaluation

CTO interviews

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

Meeting with CEO

Ex officio Board members

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Other committees or task teams (e.g. Audit Committee / ministerial task team)	No of meetings attended
Mr Solly Fourie	Ex officio (DEDAT)	06/2014	-	Board meetings	4
				Other	-
Mr Lance Greyling	Ex officio (City of Cape Town)	03/2015	-	Chairperson of the Human Resources and Remuneration Committee	5
				Board meetings	3
				Other	2

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Other committees or task teams (e.g. Audit Committee / ministerial task team)	No of meetings attended
Mr Tim Harris	Ex officio (Wesgro CEO)	06/2014	-	Member of the Audit, IT and Risk Committee	4
				Member of the Human Resources and Remuneration Committee	4
				Board meetings	4
				Other	10

Other:

Wesgro Board Strategy Session

Wesgro Special Committee Meeting

CEO Performance Review

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

Meeting with CEO

Committees

Committee	No of meetings held	No of members	Names of members
Audit, IT and Risk Committee	4	6	Mr Ian Bartes
			Mr David Green
			Mr John van Rooyen
			Ms Palesa Morudu
			Mr Danny Naidoo
			Mr Paul Slack
Human Resource and Remuneration Committee	5	3	Mr Lance Greyling
			Ms Andrea Böhmert
			Ald (Dr) Helena von Schlicht

Remuneration of Board members

Name	Remuneration (R)	Other allowance (R')	Other reimbursements (R')	Total (R)
Prof Brian Figaji	52 300	-	-	52 300
Mr Michael Spicer	40 005	-	-	40 005
Mr Ian Bartes	48 136	-	-	48 136
Ms Andrea Böhmert	31 104	-	-	31 104
Mr Paul Bannister	31 104	-	-	31 104
Jonny Copelyn	11 664	-	-	11 664

Name	Remuneration (R)	Other allowance (R')	Other reimbursements (R')	Total (R)
Ruwaida Eksteen	11 664			11 664
Mr David Green	38 880	-	119,13	38 999,13
Ald. Marius Koen	-	-	-	-
Ald (Dr) Helena von Schlicht	-	-	-	-
Mr John van Rooyen	27 216	-	-	27 216
Independent committee members				
Mr Paul Slack	17 451	-	-	17 451
Mr Danny Naidoo	13 335	-	-	13 335

4. risk management

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

5. internal control unit

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

6. internal audit and audit committees

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

The table below discloses relevant information on the audit committee members.

Name	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No of meetings attended
Mr Ian Bartes	External	-	06/2014	-	4
Mr David Green	External	-	08/2014	-	4
Ms Palesa Morudu	External	-	11/2018	-	2
Mr John van Rooyen	External	-	11/2018	-	1
Mr Paul Slack	External	-	06/2014	-	3
Mr Danny Naidoo	External	-	06/2014	-	3

7. compliance with laws and regulations

As a Schedule 3C public entity, the Agency complies with the Public Finance Management Act (Act 1 of 1999) as amended. Wesgro also complies with the requirements as set out in the National Treasury Regulations, Provincial Treasury Instructions and Provincial Circulars issued during the financial year. The Agency compiles its financial statements in accordance with the GRAP standards and ensures that these standards are updated when required, as prescribed by Provincial Treasury.

8. fraud and corruption

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

9. minimising conflict of interest

All employees are obliged to complete a declaration of interest on an annual basis. Furthermore, all suppliers of goods/services to the value of over R10 000, are required to submit the relevant compliance documentation, which is reviewed to ensure compliance with the relevant provincial and national regulations pertaining to supply chain management.

10. code of conduct

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

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

11. board secretary

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

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

12. audit committee report

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

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

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

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

• Compliance with our mandate

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

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

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

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

• Evaluation of the Annual Financial Statements

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

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

• Review of accounting policies

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

• Review of management report and audit report

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

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

• Internal Control

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

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

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

• Internal audit function

The Wesgro internal auditor is BDO.

The Internal audit function reports functionally to the audit committee, and the 3 Year risk based internal audit plan covered the following areas for the 2019/20 financial year:

- Performance management information
- Risk and Compliance Management
- Human resources and payroll review (2019 roll over)
- Financial Discipline Review
- Supply Chain Management
- IT Governance and Assurance
- Risk and Compliance Management
- Human Resource and Payroll review 2020

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

- Review of Financial Statement Disclosure
- Governance review of the process undertaken in the reappointment and remuneration of the Chief Executive Officer of Wesgro
- Predetermined Objectives (reported in the quarterly performance report QPR)

The entity received a Clean Audit Opinion on the usefulness and reliability in terms of the performance information reported.

• Risk management

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

• Enhancing the effectiveness of the Audit Committee

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

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

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

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

• Emerging Risks

The Audit Committee noted the Emerging Risks and ensured that these risks are included in the risk profile of the entity and considered by the Internal Audit plan. In particular attention will be paid to the following risks:

- Maintenance of relationship with stakeholders / funders
- The continued financial viability of Wesgro
- Deteriorating South African Investment Climate

- Ineffective knowledge retention and cross selling
- Pandemic related risks
- Regulatory Risk
- Digital Transformation

- **SCOPA resolutions**

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

- **Conclusion**

In the prior year AG concluded that with regards to the non-compliance with PN 7 of 2009/10, it can be noted that management did not adhere to obtaining and confirming the declaration of interest of foreign suppliers. This will therefore remain non-compliance but will not result in irregular expenditure.

In the current year under review the Auditor General identified the same exceptions for transactions incurred before September 2019 agreed action implementation date. The Auditor General has concluded this matter as a material non-compliance (the amounts exceed R500k due to FX movements) but will not result in irregular expenditure

The regulations indicate that when an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective. Wesgro has done this procurement in fair, equitable, transparent, competitive and cost effective manner.

Based on the above issue our audit opinion has changed from a Clean audit to an Unqualified Opinion with Findings.



Ian Bartes
Chairperson of the Audit Committee
Wesgro
30 September 2020

13. standing committee resolutions

The Agency appeared before the Standing Committee on Public Accounts (SCOPA) to present the Annual Report 2018/19. No resolution emanated from the session.

14. b-bbee compliance information

The Agency conducted a B-BBEE assessment for the financial year and submitted the outcome thereof to the Commissioner on 30 September 2019, as legislatively required.









part d

human resource management

part d: human resource management

1. introduction

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

2. human resources oversight statistics

Personnel cost by programme

Programme	Personnel expenditure (R) ²	Personnel exp as a % of total exp	No of employees	Average personnel cost per employee (R)
Convention Bureau	R3 386 932,83	6%	7	R483 847,55
Corporate Services	R8 699 666,77	16%	23	R378 246,38
Executive Management Unit	R3 381 903,22	6%	4	R845 475,81
Investment Promotion	R3 965 359,64	7%	9	R440 595,52
Leisure Marketing	R2 597 507,82	5%	6	R432 917,97
Marketing and Communication	R4 573 863,52	8%	12	R381 155,29
Research	R3 482 898,02	6%	10	R348 289,80
Strategic Projects	R19 366 652,80	35%	45	R430 370,06
Trade Promotion	R5 766 713,39	10%	11	R524 246,67
Total	R55 221 498,01	100%	127	R434 814,94

Personnel cost by salary band

Level	Personnel expenditure (R) ³	% of personnel exp to total personnel cost (R)	No of employees	Average personnel cost per employee (R)
Top management	R11 216 244,11	20%	9	R1 246 249,35
Senior management	R11 386 085,61	21%	16	R711 630,35
Professionally qualified	R13 178 819,70	24%	23	R572 992,16
Skilled	R7 795 977,89	14%	21	R371 237,04
Semiskilled	R10 452 347,70	19%	43	R243 077,85
Unskilled	R1 192 023,00	2%	15	R79 468,20
Total	R55 221 498,01	100%	127	R434 814,94

² Personnel expenditure does not include the provision for leave and board remuneration. It includes terminations from 2019 who qualified for a performance bonus.

³ Personnel expenditure does not include the provision for leave and board remuneration. It includes terminations from 2019 who qualified for a performance bonus.

Performance rewards

Level	Performance rewards ⁴	% of performance rewards to total personnel cost
Top management	R832 074,99	7%
Senior management	R563 201,30	5%
Professionally qualified	R740 948,77	6%
Skilled	R506 785,10	7%
Semiskilled	R447 771,58	4%
Unskilled	R29 354,88	2%
TOTAL	R3 120 136,62	6%

Training costs

Programme	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No of employees trained	Average training cost per employee (R)
Convention Bureau	R3 386 932,83	R0,00	0%	0	R0,00
Corporate Services	R8 699 666,77	R68 732,47	0,79%	9	R7 636,94
Executive Management Unit	R3 381 903,22	R1 107,83	0.03%	1	R1 107,83
Investment Promotion	R3 965 359,64	R0,00	0%	0	R0,00
Leisure Marketing	R2 597 507,82	R1 107,83	0,04%	1	R1 107,83
Marketing and Communication	R4 573 863,52	R6 581,83	0,14%	3	R2 193,94
Research	R3 482 898,02	R1 107,83	0.03%	1	R1 107,83
Strategic Projects	R19 366 652,80	R0,00	0%	0	R0,00
Trade Promotion	R5 766 713,39	R9 499,77	0.16%	1	R9 499,77
Total	R55 221 498,01	R88 137,56	1,21%	16	R5 508,60

Employment and vacancies

Programme	Approved posts 2018/19	No of employees 2018/19	Approved posts 2019/20	No of employees 2019/20	Vacancies 2019/20	% of vacancies
Conventions Bureau	8	8	10	7	2	1%
Corporate Services	24	24	26	23	1	1%
Executive Management Unit	4	4	4	4	0	0%
Investment Promotion	13	12	12	9	3	2%
Leisure Marketing	6	6	8	6	3	2%

⁴ Performance rewards do not include the provision for performance. They include terminations from 2019 who qualified for a performance bonus.

Programme	Approved posts 2018/19	No of employees 2018/19	Approved posts 2019/20	No of employees 2019/20	Vacancies 2019/20	% of vacancies
Marketing and Communication	9	8	15	12	4	3%
Research	9	9	10	10	0	0%
Strategic Projects	21	18	45	45	1	1%
Trade Promotion	10	8	14	11	3	2%
Total	104	97	144	127	17	12%

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	4	2	6
Senior Management	8	3	1	10
Professionally Qualified	20	2	7	15
Skilled	21	2	5	18
Semiskilled	21	4	1	24
Unskilled	5	5	1	9
Special Projects	24	21	0	45
Total	103	41	17	127

Reasons for staff leaving

Reason	Number	% of total no of staff leaving
Death	0	0%
Resignation	10	59%
Dismissal	0	0%
Retirement	0	0%
Ill Health	0	0%
Expiry of Contract	7	41%
Other	0	0%
Total	17	100%

Labour relations: Misconduct and disciplinary action

Nature of disciplinary action	Number
Verbal warning	0
Written warning	1
Final written warning	0
Dismissal	0

Recruitment targets for employment equity status

Levels	MALE								
	Black African		Coloured		Indian		White		Foreign nationals
	Target	Current	Target	Current	Target	Current	Target	Current	
Top management	1	1	0	0	0	0	3	4	0
Senior management	0	1	2	1	2	2	2	2	0
Professionally qualified	3	2	4	3	2	3	6	3	1
Skilled	3	2	5	2	0	1	0	2	0
Semiskilled	3	4	5	5	0	0	1	0	0
Unskilled	1	4	0	1	1	1	0	0	0
Total	11	14	16	12	5	7	12	11	1

Note 1: The target for white males is being reduced to meet the Employment Equity Plan.

Note 2: The equity targets for senior management will be set once the employment equity forum is established in the 2021/22 financial year.

Levels	FEMALE								
	Black African		Coloured		Indian		White		Foreign nationals
	Target	Current	Target	Current	Target	Current	Target	Current	
Top management	1	1	1	0	0	1	0	2	0
Senior management	0	1	1	2	0	0	6	6	1
Professionally qualified	3	3	3	2	1	3	8	3	0
Skilled	3	4	6	5	1	1	3	3	1
Semiskilled	19	13	8	14	0	2	2	5	0
Unskilled	1	6	1	3	0	0	0	0	0
Total	27	28	20	26	2	7	19	19	2

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





part e

financial information

general information

financial statements

for the year ended 31 March 2020

Country of incorporation and domicile	South Africa
Legal form of entity	Listed Schedule 3C Public Entity
Nature of business and principal activities	The official tourism, trade and investment promotion agency for the Western Cape.
Non executive directors	Prof. Brian Figaji Ian Bartes Paul Bannister David Green Michael Spicer Andrea Bohmert Ald Marius Koen Ald Helena van Schlicht John van Rooyen Ruweida Eksteen Johnny Copelyn
Ex officio members	Tim Harris Lance Greyling Solly Fourie
Registered office	18th Floor South African Reserve Bank Building 60 St George's Mall Cape Town 8001
Business address	18th Floor South African Reserve Bank Building 60 St George's Mall Cape Town 8001
Postal address	P O Box 1678 Cape Town 8000
Bankers	ABSA Bank
Auditors	Auditor - General of South Africa Registered Auditors
Board secretary	Kendra Stoffberg
Telephone	+27 21 487 8600
Email	info@wesgro.co.za
Website	www.wesgro.co.za

Index

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

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Board's Responsibilities and Approval	85
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Statement of Financial Performance	93
Statement of Changes in Net Assets	94
Cash Flow Statement	95
Statement of Comparison of Budget and Actual Amounts	96
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The following supplementary information does not form part of the financial statements and is unaudited:	
Annexure A - Deferred Income	128 - 129

Board's Responsibilities and Approval

for the year ended 31 March 2020

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

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

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

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

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

Going Concern

The directors have taken into account the effects of the COVID-19 global pandemic by re-evaluating the entity's revenue, expenses and cash flow for the period ending 31 March 2021. The directors are satisfied that the entity has adequate committed financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position to meet its foreseeable financial obligations.

Subsequent Event

The directors are not aware of any matter or circumstances arising since the end of the reporting period other than raised in note 31.

The financial statements as set out on pages 92 to 127 for the period ending 31 March 2020, were approved by the Board of Directors in terms of section 51 (1) (f) of the PFMA and signed on its behalf by:



Michael Spicer
Vice Chairperson



Tim Harris
Chief Executive Officer

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Tourism, Trade and Investment Promotion Agency set out on pages 92 to 127, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Tourism, Trade and Investment Promotion Agency as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Investments (Put option)

7. As disclosed in note 8 to the financial statements, a fair value gain of R1,753 million (2019: R1,647 million) was realised during the year on the entity's investment through its put option on shares held in the Cape Town Film Studios (Pty) Ltd, bringing the value of the investment to R26,521 million (2019: R24,786 million) as at 31 March 2020.

Deferred income

8. As disclosed in note 12 of the financial statements, the deferred income as at 31 March 2020 amounted to R40,980 million (2019: R41,767 million), representing the balance of the funding of the various sponsored projects as administered by the entity.

Subsequent events

9. We draw attention to note 31 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of Covid-19 on the entity's future prospects, performance and cash flows. Management have also described how they plan to deal with these events and circumstances.

Other 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 as indicated in annexure A, does not form part of the financial statements and is presented as additional information. The annexure was not audited and therefore no opinion was expressed thereon.

Responsibilities of accounting authority for the financial statements

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

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

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the entity for the year ended 31 March 2020.

Programme	Pages in the annual performance report
Programme 6 – destination marketing	52 – 55

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:
 - Programme 6 – destination marketing

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 31 to 35, 40 to 42 , 46 to 47, 49, 51, 54 to 55 and 57 to 58 for information on the achievement of planned targets for the year and explanations provided for the overachievement of a significant number of targets.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 6 – destination marketing. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

24. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
25. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

26. Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with treasury regulation 16A8.3.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
31. I have nothing to report in this regard.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
33. Management did not exercise responsibility regarding compliance related controls as the entity awarded contracts to foreign suppliers without confirming whether all declarations of interest were submitted. Management processes implemented for the review and monitoring of compliance with supply chain management laws and policy were inadequately implemented as non-compliance was not prevented.

Auditor - General -

Cape Town

30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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



statement of financial position

31 March 2020

	Note(s)	2020 R'000	2019 R'000
Assets			
Current Assets			
Trade and other receivables from exchange transactions	2	888	6 442
Trade receivables from non-exchange transactions	3	9 600	10 784
Prepayments	4	1 239	1 235
Cash and cash equivalents	5	59 152	46 438
		70 879	64 899
Non-Current Assets			
Plant and equipment	6	8 208	5 955
Intangible assets	7	187	141
Investments	8	26 521	24 786
		34 916	30 882
Total Assets		105 795	95 781
Liabilities			
Current Liabilities			
Employee benefits	9	6 447	5 265
Trade and other payables	10	11 206	5 688
Operating lease liability	11	516	306
Deferred income	12	40 980	41 767
		59 149	53 026
Total Liabilities		59 149	53 026
Net Assets		46 646	42 755
Accumulated surplus		46 646	42 755

statement of financial performance

for the year ended 31 March 2020

	Note(s)	2020 R'000	2019 R'000
Revenue			
Revenue from exchange transactions			
Interest received	13	432	1 762
Other revenue	14	284	808
Bad debt recovered	2 / 3	-	81
Gain on impairment of assets		234	-
Gain on disposal of assets	22	90	120
Fair value adjustments	23	1 735	1 647
Total revenue from exchange transactions		2 775	4 418
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	15	182 504	126 821
Total revenue		185 279	131 239
Expenditure			
Employee related costs	16	60 665	46 183
Depreciation and amortisation	6 / 7	3 151	2 140
Finance costs		22	7
Bad debt	2 / 3	-	33
Other operating expenses	17	52 244	29 970
Marketing cost	18	45 929	14 948
Audit fees	19	2 452	1 995
Workshops, seminars and events	20	11 187	34 456
Administrative expenses	21	5 738	3 640
Total expenditure		181 388	133 372
Surplus (deficit) for the year		3 891	(2 133)

Refer to note 30 for a reconciliation of the accounting surplus to the actual cash surplus for the year.

statement of changes in net assets

for the year ended 31 March 2020

	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2018		
Changes in net assets	44 897	44 897
Deficit for the year	(2 133)	(2 133)
Adjustment	(9)	(9)
Total changes	(2 142)	(2 142)
Balance at 01 April 2019	42 755	42 755
Changes in net assets		
Surplus for the year	3 891	3 891
Total changes	3 891	3 891
Balance at 31 March 2020	46 646	46 646

Note(s)

The accumulated surplus includes R 1 735 133 fair value adjustment on the put option held over the Cape Town Film Studio shares valued at R 26 521 279.

cash flow statement

for the year ended 31 March 2020

	Note(s)	2020 R'000	2019 R'000
Cash flows from operating activities			
Receipts			
Cash receipts from funders		189 167	117 950
Payments			
Cash paid to suppliers and employees		(171 327)	(128 316)
Net cash flows from operating activities	24	17 840	(10 366)
Cash flows from investing activities			
Purchase of plant and equipment	6	(5 119)	(1 045)
Proceeds from sale of plant and equipment	6	148	200
Purchase of other intangible assets	7	(152)	(80)
Adjustments plant and equipment		-	(138)
Other cash item		(3)	-
Net cash flows from investing activities		(5 126)	(1 063)
Net increase in cash and cash equivalents		12 714	(11 429)
Cash and cash equivalents at the beginning of the year		46 438	57 867
Cash and cash equivalents at 31 March 2020	5	59 152	46 438

statement of comparison of budget and actual amounts

for the year ended 31 March 2020

budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual
	R'000	R'000	R'000	R'000	R'000
Statement of Financial Performance					
Revenue					
Revenue from exchange transactions					
Interest received	1 000	(188)	812	432	(380)
Other revenue	790	(451)	339	284	(55)
Gains on disposal of assets	-	-	-	90	90
Total revenue from exchange transactions	1 790	(639)	1 151	806	(345)
Revenue from non-exchange transactions					
Transfer revenue					
Government grant and subsidies	79 339	1 142	80 481	79 790	(690)
Total revenue	81 129	503	81 632	80 596	(1 035)
Expenditure					
Employee related costs	(38 003)	(2 305)	(40 308)	(43 183)	(2 875)
Loss on foreign exchange	(2)	-	(2)	-	2
Other operating expenses	(18 551)	2 679	(15 872)	(17 153)	(1 281)
Marketing cost	(12 526)	(628)	(13 154)	(9 015)	4 140
Audit fees	(2 278)	(108)	(2 386)	(2 452)	(66)
Workshops, seminars and events	(2 370)	(1 092)	(3 462)	(3 632)	(170)
Administrative expenses	(5 094)	648	(4 446)	(3 745)	701
Total expenditure	(78 825)	(806)	(79 631)	(79 180)	451
Operating surplus	2 304	(303)	2 001	1 416	(585)
Capital expenditure	(1 303)	(104)	(1 407)	(1 747)	(340)
Surplus for the year	1 001	(407)	594	(330)	(924)

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

Refer note 30 for reconciliation of actual results to adjusted actual's for budget comparison. The budget is compiled on a cash basis.

The depreciation and amortisation amount on the budget is utilised during the financial year for the addition on fixed Assets.

Refer note 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 1% of total expenditure.

accounting policies

for the year ended 31 March 2020

1. Presentation of Financial Statements

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

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

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

GRAP 1: Presentation of Financial Statements GRAP 2: Cash Flow Statements
GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors GRAP 4: The Effects of Changes in Foreign Exchange Rates
GRAP 5: Borrowing Costs
GRAP 6: Consolidated and Separate Financial Statements GRAP 7: Investments in Associates
GRAP 8: Investments in Joint Ventures
GRAP 9: Revenue from Exchange Transactions
GRAP 10: Financial Reporting in Hyperinflationary Economics GRAP 11: Construction Contracts
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events after Reporting Date GRAP 16: Investment Property
GRAP 17: Property, Plant and Equipment GRAP 18: Segment Reporting
GRAP 19: Provisions, Contingent Liabilities and Contingent Assets GRAP 20: Related Parties
GRAP 21: Impairment of non-cash generating assets GRAP 23: Revenue from non-exchange transactions GRAP 24: Presentation of budget information
GRAP 25: Employee Benefits
GRAP 26: Impairment of cash – generating assets
GRAP 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

1.1 Revenue from exchange transactions

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

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

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

Other revenue

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

- the amount of revenue can be measured reliably

accounting policies

for the year ended 31 March 2020

- is probable that the economic benefits or service potential associated with the transaction will flow to the entity
- the stage of completion of the transaction at the reporting date can be measured reliably and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

Interest

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

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

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

1.2 Revenue from non-exchange transactions

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

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

Government grants

Government grants are recognised as revenue when:

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

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

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

1.3 Financial instruments

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

All regular purchases and sales of financial assets are required on the trade date, which is the date that the Agency commits to

accounting policies

for the year ended 31 March 2020

purchase the asset. Regular way purchase or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

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

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

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

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

Derivatives

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

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

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

Financial instruments at fair value

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

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

Financial instruments at amortised cost

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

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Derecognition

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

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

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

Offsetting of financial instruments

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

1.4 Plant and equipment

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

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

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

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

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

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

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1.5 Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

1.6 Impairment

Impairment of financial asset

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

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

Assets carried at amortised cost

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

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

Fair value investments

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

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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.

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

1.7 Cash and cash equivalents

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

1.8 Provisions and contingencies

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

1.9 Translation of foreign currencies Foreign currency transactions

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

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1.10 Leases

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

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

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

1.11 Tax

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

1.12 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

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

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

1.13 Budget information

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

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

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

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the financial statements adjusted to be comparable. A comparable basis means that the budget and annual financial statements:

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

1.14 Segment information

A segment is an activity of an entity:

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

Operating segments are reported in a manner consistent with the internal reporting provided to management. Management allocates resources to and assesses the performance of the operating segments of an entity. The Agency operates in the following primary segments:

- Investment and trade promotion
- Destination marketing
- Wesgro support services
- Atlantis Special Economic Zone

1.15 Significant adjustments and sources of estimation uncertainty

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

Trade and other receivables

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

Plant and equipment

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

Fair value of financial instruments

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

Further details are explained in Note 29.

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1.16 Related parties

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

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

1.17 Fruitless and wasteful expenditure

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

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

1.18 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.19 Prepayments

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

1.20 Irregular expenditure

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

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

1.21 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.

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
2. Trade and other receivables from exchange transactions		
Trade debtors	58	5 917
Less: Provision for doubtful debts	(33)	(33)
Sundry debtors and deposits	863	558
	888	6 442

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

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

Trade and other receivables past due but not impaired - March 2019

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Trade debtors from exchange transactions	5 782	8	86	41	5 917

Provision for doubtful debts

As of 31 March 2020, trade and other receivables of R 33 060 (2019: R 33 060) were impaired and provided for.

Opening balance	33	81
Movement in provision	-	33
Bad debts recovered	-	(81)
Closing balance	33	33

3. Trade receivables from non-exchange transactions		
Government grants and subsidies	9 600	10 884
Less provision for doubtful debts	-	(100)
	9 600	10 784

Receivables from non-exchange transactions past due but not impaired - March 2020

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Government grant and subsidies	8 600	1 000	-	-	9 600

Trade receivables from non-exchange transactions past due but not impaired - March 2019

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Government grant and subsidies	9 312	1 300	172	109	10 884

Provision for doubtful debts

As of 31 March 2020, other receivables from non-exchange transactions of R - (2019: R 100 000) were impaired and provided for.

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000				
3. Trade receivables from non-exchange transactions (continued)						
Opening balance	100	100				
Movement in provision	(100)	-				
Bad debts recovered	-	-				
Closing balance	-	100				
4. Prepayments						
Administrative expenses	95	153				
Operating expenses	614	533				
Workshops, seminars and events	529	549				
	1 239	1 235				
5. Cash and cash equivalents						
Cash and cash equivalents consist of:						
Cash and balances with banks	26 840	7 704				
Short-term deposit/investments	32 307	38 729				
Cash on hand	5	5				
	59 152	46 438				
6. Plant and equipment						
	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	2 162	(1 638)	525	1 967	(1 348)	619
Vehicles	1 771	(671)	1 100	1 160	(650)	510
Office equipment	707	(446)	260	572	(347)	225
Computer equipment	3 334	(2 103)	1 231	2 906	(1 316)	1 590
Leasehold improve- ments	2 912	(2 414)	498	2 664	(2 004)	660
Projects furniture and fittings	1 599	(1 121)	479	1 599	(716)	883
Projects office equip- ment	1 260	(788)	471	1 245	(474)	771
Projects leasehold improvements	3 597	(523)	3 073	844	(312)	532
Project computer equipment	819	(248)	571	215	(50)	165
Total	18 161	(9 952)	8 208	13 172	(7 217)	5 955

notes to the annual financial statements (continued)
for the year ended 31 March 2020

					2020 R'000	2019 R'000
6. Plant and equipment (continued)						
Reconciliation of plant and equipment - March 2020						
	Opening balance	Additions	Adjustments	Disposals	Depreciation	Total
Furniture and fittings	619	27	169	-	(290)	525
Vehicles	510	844	-	(58)	(196)	1 100
Office equipment	225	135	-	-	(100)	260
Computer equipment	1 590	494	56	-	(909)	1 231
Leasehold improve- ments	660	248	-	-	(410)	498
Projects furniture and fittings	883	-	-	-	(404)	479
Projects office equip- ment	771	14	-	-	(314)	471
Projects leasehold improvements	532	2 752	-	-	(211)	3 073
Projects computer equipment	165	605	-	-	(199)	571
	5 955	5 119	225	(58)	(3 033)	8 208
Reconciliation of plant and equipment - March 2019						
	Opening balance	Additions	Adjustments	Disposals	Depreciation	Total
Furniture and fittings	734	140	-	(1)	(254)	619
Vehicles	625	-	98	(40)	(173)	510
Office equipment	254	26	-	(3)	(52)	225
Computer equipment	1 595	635	-	(36)	(604)	1 590
Leasehold improve- ments	666	48	-	-	(54)	660
Projects furniture & fittings	1 279	8	-	-	(404)	883
Projects office equip- ment	1 081	2	-	-	(312)	771
Projects leasehold improvements	699	37	-	-	(204)	532
Projects computer equipment	55	149	-	-	(39)	165
	6 988	1 045	98	(80)	(2 096)	5 955

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020			2019		
	R'000			R'000		
7. Intangible assets						
	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	462	(285)	177	330	(196)	134
Projects Computer software	39	(29)	10	29	(22)	7
Total	501	(314)	187	359	(218)	141

Reconciliation of intangible assets - March 2020

	Opening balance	Additions	Adjustments	Amortisation	Total
Computer software	134	152	-	(109)	177
Projects computer software	7	-	10	(7)	10
	141	152	10	(116)	187

Reconciliation of intangible assets - March 2019

	Opening balance	Additions	Amortisation	Total
Computer software	83	80	(29)	134
Projects computer software	22	-	(15)	7
	105	80	(44)	141

8. Investments		
10% Investment in Cape Town Film Studios (Pty) Ltd (CTFS)	-	1
Fair value gain/(Impairment loss on investment)	-	(1)
Closing balance	-	-
Opening value of Put Option on available for sale investment	24 786	23 139
Fair value gain/(Impairment loss on investment)	1 735	1 647
Closing balance	26 521	24 786
	26 521	24 786

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

Available for sale investment

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

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
8. Investments (continued)		

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

Put option on available for sale investment

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

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

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

Underlying price	R 256	R256
Strike price	R 30 million	R 30 million
Risk free rate	9.86%	8.49%
Dividend yield	0.00%	0.00%
Volatility	53.57%	37.66%
Period (years)	1.25	2.25

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

9. Employee benefits

Reconciliation of employee benefits - March 2020

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

notes to the annual financial statements (continued)
for the year ended 31 March 2020

			2020	2019
			R'000	R'000
9. Employee benefits (continued)				
Reconciliation of employee benefits - March 2019				
	Opening Balance	Additions	Utilised during the year	Total
Bonus provision	1 978	3 109	(1 978)	3 109
Leave pay provision	1 422	468	(169)	1 721
Occupational injury provision	495	-	(60)	435
	3 895	3 577	(2 207)	5 265

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.

10. Trade and other payables		
Trade payables	264	78
Accruals	10 942	5 610
	11 206	5 688

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

11. Operating lease liability (accrual)		
Current		
Operating lease liability (smoothing)	516	306

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

12. Deferred income		
Unspent conditional grants and receipts		
Department of Economic Development & Tourism	9 039	8 368
Department of Trade and Industry	8 295	9 106
Municipalities	4 825	3 077
Multiple funder projects	1 714	18 688
Other projects	5 942	2 529
Atlantis SEZ	11 165	-
	40 980	41 767

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
12. Deferred income (continued)		
Opening balance	41 767	37 986
Add: Current year receipts	101 136	62 012
Less: Amounts transferred to income for the year (Refer note 15)	(101 923)	(58 231)
	40 980	41 767
Please refer to Annexure A for a detailed listing of the deferred income balances.		
13. Interest received		
Interest received	432	1 762
14. Other revenue		
Sundry income	222	313
DMO Leisure income	62	495
	284	808
15. Government grant and subsidies		
Operating grants		
Grants (Trade and Investment)	31 700	26 700
Grants (DMO)	35 521	32 526
Project Funding (Refer note 12)	101 923	58 231
	169 144	117 457
Capital grants	13 360	9 364
City of Cape Town	182 504	126 821
16. Employee related costs		
Staff cost	35 913	32 669
Basic salaries	33 773	29 522
Performance bonus	2 109	3 139
Temporary staff	31	8
	4 304	3 810
Medical aid	532	466
UIF	126	152
Provident fund	3 646	3 191
Project expenses	20 448	9 704
Total	60 665	46 183

notes to the annual financial statements (continued)
for the year ended 31 March 2020

				2020 R'000	2019 R'000
16. Employee related costs (continued)					
Executive Management Remuneration	R'000	R'000	R'000	R'000	R'000
	Salary	Performance Awards	Pension Contribution	Total 2020	Total 2019
Chief Executive Officer – Timothy Harris	2 089	204	72	2 365	2 262
Chief Marketing Officer – Judy Lain (Resigned)	638	127	43	808	1 381
Chief Marketing Officer - Margaret Whitehouse	103	-	15	118	-
Chief Business Development Officer - Yaw Peprah	1 470	128	51	1 649	1 448
Chief Financial Officer – Kholeka Zama	1 148	94	161	1 403	1 188
Chief Research Officer - Cornelis van der Waal	918	74	8	1 000	939
Chief Communications Officer - Russel Brueton	763	84	116	963	1 079
	7 129	711	466	8 306	8 297

17. Other operating expenses		
Programme Expenses	16 815	12 523
Board expenses	195	81
Consultants fees	2 953	2 062
Courier and delivery charges	9	12
Insurance	222	75
License and software fees	743	315
Maintenance - Machinery and equipment	60	263
Maintenance - Property	392	238
Recruitment cost	11	32
Rentals - Machinery and equipment	438	413
Rentals - Property	4 910	4 275
Staff catering and refreshments	167	207
Telecommunication cost	1 408	1 196
Transport cost	111	112
Travel and subsistence	5 196	3 242
Project Khulisa	-	1 630
Travel and subsistence	-	1 630
Projects Expenses	35 429	15 817

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
17. Other operating expenses (continued)		
Projects Expenses	35 429	15 817
Consulting fees	27 515	10 891
Courier and delivery charges	3	-
Insurance	4	-
License and software fees	620	-
Maintenance - Machinery & equipment	(11)	18
Maintenance - Property	280	58
Recruitment	-	9
Rentals - Machinery and equipment	137	200
Rentals - Property	1 761	1 052
Staff catering and refreshments	72	4
Telecommunication cost	87	142
Transport cost	269	-
Travel and subsistence	4 692	3 443
Total	52 244	29 970
18. Marketing expenses		
Programme expenses	9 491	918
Advertising cost	9 226	770
Publishing cost	153	140
Site inspections	112	8
Project Khulisa	-	2 673
Project Expenses	36 438	11 357
	45 929	14 948
19. Audit fees		
External audit fees	1 691	1 487
Internal audit fees	761	508
	2 452	1 995

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
20. Workshops, Seminars and Events		
Workshops & seminars	4 208	2 562
Project Khulisa	-	11 979
Project Expenses	6 979	19 915
	11 187	34 456
21. Administrative expenses		
Programme expenses	4 239	2 415
Bank charges	131	108
Fees for services - Board members	342	341
Legal fees	3	43
Printing & stationery	239	125
Subscriptions	3 162	1 130
Training and development	363	668
Project Khulisa	-	759
Project Expenses	1 498	466
	5 738	3 640
Non-Executive Directors (Fees for services – Board Members)		
Brian Figaji	52	63
Ian Bartes	48	64
Paul Bannister	31	19
David Green	39	31
Michael Spicer	40	53
^Andrea Bohmert	31	27
Ashraf Ameen (Resigned February 2019)	-	8
Ald Marius Koen	-	5
Ald (Dr) Helena van Schlicht	-	4
^John van Rooyen	31	23
Palesa Morudu (Resigned December 2019)	12	19
Ruweida Eksteen	12	-
Judith February (Resigned March 2020)	4	-
Johnny Copelyn	12	-
	312	316

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
21. Administrative expenses (continued)		
Independent Audit Committee (Fees for services – Audit, IT and Risk Committee Members)		
Paul Slack	17	16
*Danny Naidoo	13	9
	30	25
Ex officio directors		
Lance Greyling	-	-
Solly Fourie	-	-
Tim Harris	-	-
	-	-
22. Gains on disposal of assets/liabilities		
Gains on disposal of assets	90	120
23. Fair value adjustments		
Other financial assets		
Other financial assets (Designated as at fair value through profit and loss)	1 735	1 647
24. Cash generated from (used in) operations		
Surplus (deficit)	3 891	(2 133)
Adjustments for:		
Depreciation and amortisation	3 151	2 140
Gain on disposal of assets	(90)	(120)
Fair value adjustments	(1 735)	(1 647)
Gain on impairment of assets	(234)	-
Bad debt	-	33
Changes in working capital:		
Trade and other receivables from exchange transactions	6 738	(14 262)
Prepayments	(4)	(1 072)
Employee benefits	1 182	1 370
Trade and other payables	5 518	2 028
Operating lease liability	210	(484)
Deferred income	(787)	3 781
	17 840	(10 366)

^ HR Committee Member - Invoiced the Agency

* Audit Committee Member - Invoiced the Agency

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
24. Cash generated from (used in) operations (continued)		
Cash received from funders: Total revenue	184 847	129 477
Interest received	432	1 762
Gain on disposal of assets	(90)	(120)
Fair value adjustment	(1 735)	(1 647)
Gain on impairment of assets	(234)	-
Bad debt written off	-	33
Movement in working capital		
• Trade and other receivables	6 738	(14 262)
• Prepayments	(4)	(1 072)
• Deferred income	(787)	3 781
	189 167	117 952
Cash paid to suppliers:		
Total expenditure	(181 388)	(133 372)
Depreciation and amortisation	3 151	2 140
Loss on foreign exchange	-	-
Movement in working capital		
• Employee benefits	1 182	1 370
• Trade and other payables	5 518	2 028
• Operating lease liability	210	(484)
	(171 327)	(128 318)
25. Contingent Liabilities and Commitments		
Contingent liabilities		
Contingent liability	1 429	-
A contingent liability exists in relation to the retention of the surplus funds for 2019/2020.		
Commitments		
Minimum payments due		
- within one year	-	965
- in second to fifth year inclusive	-	-
	-	965

Conference commitments represents the Agency support for the YPO Conference, committing R 500 000 towards the promotion and marketing of the event. The Agency also committed R 464 600 to Green Cape for additional stakeholder management to Atlantis Special Economic Zone (ASEZ).

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
25. Contingent Liabilities and Commitments		
Contingent liabilities (continued)		
Operating leases		
Minimum lease payments due		
- within one year	5 556	4 458
- in second to fifth year inclusive	14 940	16 471
	20 496	20 929

Operating lease payments represent rentals payable by the Agency for office premises and other equipment. Leases are negotiated for an average term of 5 years. No contingent rent is payable.

Cape Town Air Access Route Incentive

Minimum lease payments due

- within one year	7 000	22 432
- in second to fifth year inclusive	7 000	14 000
	14 000	36 432

Cape Town Air Access Route Incentive represents the agreement between Singapore Airlines and the Agency for daily flight services to Cape Town from Singapore via Johannesburg. The Agency committed to make a payment of R 1 488 500 to Singapore Airlines.

The Cape Town Air Access committed R35 million towards the North America Route incentive that will be paid in three installments of R7 million by July 2019, R14 million by December 2019 and R14 million by November 2020. Funded by Air Access public and private funders.

35 925	58 326
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Capital commitments

Wesgro has no future capital commitments as at 31 March 2020.

26. 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. An ex Officio Director of Wesgro is also a board member of CTICC. All related party transactions were conducted at arm's length and in accordance with the agency's policy.

Related party balances

Amounts included in Trade receivables from non-exchange transactions

National Government		
Department of Trade and Industry	1 000	-
Local Government		
City of Cape Town	7 500	-
Related party transactions		
National Government		
Department of Trade and Industry	2 000	2 000

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
26. Related parties (continued)		
Provincial Government		
Department of Agriculture	2 500	2 951
Department of Economic Development and Tourism	132 252	95 199
Department of Cultural Affairs and Sport	-	472
Local Government		
City of Cape Town	29 060	13 264
Cape Winelands District Municipality	230	375
Provincial and Local Government dual funded projects		
* Film	4 330	-
* Air Access	10 299	3 800
* Cape Health Technology Park	2 000	-
* Cape Investor Centre (Invest SA)	4 250	-
Private Funders:		
Airports Company South Africa	600	-
Cape Town Call Centre Development Association T/A BPESA	218	313
Cape Town International Convention Centre	15	25
Cape Town Tourism	113	334
Sea Harvest Group Limited	358	256
South African Tourism	-	1 000
Southern Sun hotels Interest (Pty) Ltd t/a Tsogo Sun Hotels	250	250
The Aurum Institute	50	15
V&A Waterfront Holdings (Pty) Ltd	529	621
Aurum Innova (Pty) Ltd	10	-

* Funded by the Department of Economic Development and Tourism and the City of Cape Town.

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 21 and 16.

27. Retirement benefits

Most employees are members of a defined contribution plan administered by Old Mutual. Both plans are governed by the Pension Funds Act of 1956. Provident fund contributions are made by the Agency only plus administration costs of the fund. In the current financial year total contributions amounted to R 3 646 022 (March 2019: R3 191 744).

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
28. Risk management Financial risk management		

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

Liquidity risk

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

Credit risk

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

Market risk

Interest rate risk

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

Interest rate risk sensitivity analysis

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

Sensitivity to changes in interest rates	Investment value	2020		2019	
		±.50%	±1.0%	±.50%	±1.0%
	R'000		Investment value R'000		
Cash and cash equivalents	32 307	162	323	38 729	194 387

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020	2019
	R'000	R'000

28. Risk management (continued)

Price risk

The Agency's investment in Cape Town Film Studio (Pty) Ltd is exposed to market price risk arising from uncertainties about the future value of the investment. The Agency manages the downward price risk through three put option agreements with Cape Town Film Studios (Pty) Ltd and two other shareholders, Video vision 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 R255.50 (March 2019: R255.50).

	R'000	R'000	R'000	R'000	R'000
Discount rate	Base – 20.2%	Low 18.2%	Effect	High – 22.2%	Effect
FV of put option	26 521	26 521	-	26 521	-
Option exercise period	Base – 2.25 years	Low - 1.75 years	Effect	High - 2.75 year	Effect
FV of put option	26 521	23 757	1 029	21 824	2 962
Terminal growth rate	Base - 5.62%	Low - 5.12%	Effect	High - 6.12%	Effect
FV of put option	26 521	26 521	-	26 521	-
Total	Base	Low	Effect	High	Effect
FV of put option	26 521	23 757	1 029	21 824	2 962

29. Financial instruments disclosure

Financial assets per category

	R'000	R'000	R'000
March 2020	At amortised	At fair value cost	Total
Trade and other receivables from exchange transactions	-	888	888
Receivables from non-exchange transactions	-	9 600	9 600
Investments	-	26 521	26 521
Cash and cash equivalents	59 152	-	59 152
	59 152	37 009	96 161

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
29. Financial instruments disclosure (continued)		
March 2019	At amortised cost	Total
Trade and other receivables from exchange transactions	-	6 442
Receivables from non-exchange transactions		10 784
Investments		24 786
Cash and cash equivalents	46 438	-
	46 438	42 012
Financial liabilities per category		
March 2020	At amortised cost	Total
Trade and other payables	11 205	11 205
March 2019	At amortised cost	Total
Trade and other payables	5 688	5 688

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020			2019
	R'000			R'000
30. Reconciliation of actual results to a comparable basis for budget comparison				
	R'000 Actual (accrual basis)	R'000 Adjustments	R'000 Adjusted to comparable basis (cash)	Notes on adjustments
REVENUE				
Interest received	432	-	432	
Other revenue	284	-	284	
Gain on disposal of assets	90	-	90	
Gain on disposal of impairment of assets	234	(234)	-	
Fair value adjustments	1 735	(1 735)	-	
Revenue from exchange transactions	2 775	(1 969)	806	
Government grant and subsidies	182 504	(102 714)	79 790	a
TOTAL REVENUE	185 279	(104 683)	80 596	
EXPENDITURE				
Employee related costs	60 665	(17 482)	43 183	b
Depreciation	3 151	(3 151)	-	
Finance cost	22	(22)	-	
Other operating expenses	52 244	(35 091)	17 153	c
Marketing cost	45 929	(36 914)	9 015	d
Audit fees	2 452	-	2 452	
Workshops, seminars and events	11 187	(7 555)	3 632	e
Administrative expenses	5 738	(1 993)	3 745	f
TOTAL EXPENDITURE	181 388	(102 209)	79 179	
Surplus for the year	3 891	(2 474)	1 417	
Capital expenditure	(1 747)	-	(1 747)	g
	2 144	(2 474)	(330)	

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
30. Reconciliation of actual results to a comparable basis for budget comparison (continued)		
Net increase / (decrease) in cash and cash equivalents		12 714
Increase in deferred income		787
Movement in operating activities		(7 643)
Movement in investment activities		(6 188)
Adjusted actual surplus for the year		(330)
a Government grant and subsidies - The R80 481 000 is the budgeted amount excluding project funding of R101 923 000. For detailed information on ring fenced projects refer to Annexure A.		
b Employee related cost - The variance is made up of Wesgro filling of vacancies within operations and Strategic project largely impacted by the Atlantis SEZ incubation within Wesgro, The strategic project employee costs for the year was R20 054 000 and is not included in this budget as it is charged against deferred income. The major increase in strategic projects relates to ASEZ employee related costs.		
c Other operating expenses - The variance is made up of the following components: +R2mil Wesgro operational expenses highest contribution to variance is travel FX impact and inflation, software licences & consulting fees +R 20 mil Strategic project largely impacted by the Atlantis SEZ incubation within Wesgro. The strategic project operational expense costs for the year was R35.5mil and is not included in this budget as it is charged against deferred income. The major increase in strategic projects relates to ASEZ incubation costs as well as Air Access commitments expensed in the current year.		
d Marketing cost - The variance is made up of the following components: +R6 mil Wesgro marketing expenses which is in line with the underlying operational plans for Wesgro's promotion of the Western Cape Foreign Direct Investment, Tourism, Film and Exports. +R 25 mil Strategic project in line with the underlying promotional project plans implemented in agreement with the project funders. The strategic project marketing costs for the year was R36 569 000 and is not included in this budget as it is charged against deferred income. The major increase in strategic projects relates to ASEZ and Air Access project		
e Workshops, seminars and events - Due to COVID 19 impact, a number of events towards the end of the year were postponed and eventually conducted virtually at a reduced cost in comparison to the prior year. This is in line with the Agency Risk Assessments conducted. The strategic project workshops, events and seminar costs for the year was R7 mil and is not included in this budget as it is charged against deferred income. Additional Wesgro budget was allocated in line with the approved budget virement		
f Administrative expenses - The variance is made up of the following components: +R1 mil Wesgro additional subscriptions to databases required to support the research and promotional activities +R 1 mil Strategic project in line with the underlying promotional project plans implemented in agreement with the project funders. The strategic projects administration expense of R1,5 mil for the year and is not included in this budget as it is charged against deferred income. Slighter on administrative expenses (R60k) due to the IT in-sourcing set-up costs. A due diligence review was conducted to ensure that the outsource service provider does not impact on the ability to operate our IT systems during the transitional phase		
g Furniture and fittings of R 27 217, Vehicles of R 843 642, Office equipment of R 148 950, computer equipment of R 1 098 486 and leasehold improvements of R 247 881 were acquired during the financial year.		

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020 R'000	2019 R'000
31. Subsequent events		
The directors are not aware of any matters or circumstances arising since the end of the reporting period except the impact of COVID-19 global pandemic.		
Regarding the prevalence of the COVID-19 pandemic, the directors are aware of the significant impact thereof on the Tourism, Trade, Investment and Film industry.		
In line with the Budget Circular 1 of 2021/22 regarding the 2020 Budget Approach to COVID-19 the Agency has re-purposed its budget and activities to position Wesgro during and post COVID-19 to deliver on investment, export, film and tourism promotion for the Western Cape. In addition, a COVID-19 support centre was established to guide businesses through this difficult time.		
Furthermore, the Directors are not aware of any material non-compliance with statutory or regulatory requirements, and further changes to legislation that may affect the Agency.		
32. Irregular expenditure		
Opening balance	-	1 000
Add: Irregular expenditure current year	-	-
Less: Amount condoned	-	(1 000)
	-	-
33. B-BBEE Performance		
Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.		
34. Fruitless and wasteful expenditure		
The fruitless and wasteful expenditure is made up as follows:		
50% bonus error and the related PAYE written off in line with board approval	-	10
Flight tickets not utilised	-	8
Interest on late payment	-	7
Less: Amount condoned	-	(25)
	-	-
No fruitless and wasteful expenditure was identified as at 31 March 2020.		
35. Segment information		
General information		
Identification of segments		
The entity is organised and reports to stakeholders and management on the basis of four major functional areas: investment and trade promotion, destination marketing, Wesgro support services. The segments were organised around the type of service potential and the agency's mandates. Management uses these same segments for determining strategic objectives.		
Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.		
Aggregated segments		
Segments were aggregated on the basis of services potential as management considered that the economic characteristics of the segments throughout the agency were sufficiently similar to warrant aggregation.		

notes to the annual financial statements (continued)
for the year ended 31 March 2020

	2020	2019
	R'000	R'000
35. Trade and other receivables from exchange transactions		
Types of goods and/or services by segment		
These reportable segments as well as the services for each segment are set out below:		
Reportable segment	Service potential	
Investment and Trade Promotion	Attract and return direct and domestic investments and grow exports	
Destination Marketing	Market the Western Cape as a business and leisure tourism destination	
Wesgro Support Services	Business Support Services	
Atlantis SEZ	Incubation of Atlantis SEZ within the agency	
Segment surplus or deficit		
2020		
	R'000	R'000
	Investment and trade promotion	Destination marketing
		R'000
		Wesgro support services
		R'000
		Atlantis SEZ
		R'000
		Total
Revenue		
Interest received	-	-
		432
		-
		432
Other revenue	-	62
		222
		-
		284
Gains on disposal of assets	-	-
		90
		-
		90
Fair value adjustment	-	-
		1 735
		-
		1 735
Gain on impairments of assets	-	-
		234
		-
		234
Government grant and subsidies	31 700	35 521
		94 770
		20 513
		182 504
Total segment revenue	31 700	35 583
		97 483
		20 513
		185 279
Entity's revenue		
		185 279
Expenditure	10 171	15 581
Employee related cost		
Depreciation	-	-
		3 074
		77
		3 151
Finance cost	-	-
		22
		-
		22
Operating expenses	3 099	5 245
		30 196
		13 704
		52 244
Marketing cost	116	8 463
		36 664
		687
		45 930
Audit fees	-	1 043
		1 409
		-
		2 452
Workshop, seminars and events	263	2 393
		8 264
		267
		11 187
Administrative expenses	432	1 612
		3 284
		409
		5 737
Total segment expenditure	14 081	34 337
		112 456
		20 514
		181 388
Total segmental surplus		
		3 891

notes to the annual financial statements (continued)
for the year ended 31 March 2020

			2020	2019
			R'000	R'000
35. Trade and other receivables from exchange transactions (continued)				
2019				
	R'000	R'000	R'000	R'000
	Investment and trade promotion	Destination Marketing	Wesgro Support Services	Total
Revenue				
Interest received	-	-	1 762	1 762
Other revenue	-	495	313	808
Bad debts recovered	-	-	81	81
Gain on disposal of assets	-	-	120	120
Fair value adjustment	-	-	1 647	1 647
Government grants and subsidies	30 922	33 026	62 873	126 821
Total segment revenue	30 922	33 521	66 796	131 239
Entity's revenue				131 239
Expenditure	9 733	14 612	21 838	46 183
Employee related cost				
Depreciation	-	2	2 138	2 140
Finance cost	-	-	7	7
Bad debt	-	-	33	33
Operating expenses	3 140	3 901	22 929	29 970
Marketing cost	174	2 675	12 099	14 948
Audit fees	-	956	1 039	1 995
Workshop, seminars and events	539	11 979	21 938	34 456
Administrative expenses	26	774	2 840	3 640
Total segment expenditure	13 612	34 899	84 861	133 372
Total segmental surplus				(2 133)

ANNEXTURE A						
	2019	Tranche allocation	Transfers & receipts	Interest	Expenditure	2020
Deffered income	R'000	R'000	R'000	R'000	R'000	R'000
DEDAT - Department of Economic Development & Tourism	(8 368)	(15 655)	(3 497)	(657)	19 138	(9 039)
T&I - Wine Promotion	(570)	(2 000)	-	(39)	2 504	(105)
DMO - Bicycle Track	(1)	(2 105)	-	(25)	1 715	(416)
Cape Investor Centre (Invest SA) OPEX	(266)	(4 250)	(64)	(77)	3 082	(1 576)
Halaal Export Project	(506)	(1 500)	588	(26)	1 442	(3)
Data Intelligence	(835)	-	(114)	6	191	(753)
Halal Industrial Park	(934)	-	400	(58)	149	(444)
SEDIC	(2 025)	(4 800)	-	(35)	3 348	(3 512)
Website Update (2019)	(1 242)	(1 000)	-	(100)	1 671	(671)
Global Tourism Campaign (2019 DEDAT)	(1 788)	-	(4 276)	(302)	4 807	(1 560)
DEDAT - WTM 2019	(200)	-	(30)	-	230	-
DTI - Department of Trade & Industry	(9 106)	(2 000)	-	(578)	3 389	(8 295)
Cape Investor Centre (Invest SA) CAPEX	(5 020)	-	-	(339)	977	(4 382)
CIC: Marketing P - DTi	(4 085)	(2 000)	-	(240)	2 412	(3 912)
Municipalities	(3 077)	(8 860)	507	(81)	6 685	(4 825)
Consolidated Sector Projects	(510)	-	510	-	-	-
Film Projects	(218)	(4 330)	-	(81)	2 685	(1 944)
Saldanha Municipality	(392)	-	-	-	-	(392)
Matzikama Municipality	(532)	-	-	0	-	(531)
George Municipality	(464)	(330)	-	-	246	(549)
Knysna Munisipality	(954)	(4 200)	(3)	-	3 754	(1 403)
Drakenstein Munisipality	(7)	-	-	-	-	(7)
Multiple Projects	(18 688)	(15 299)	(3 153)	(1 089)	36 516	(1 714)
Agribusiness Investment Unit	(19)	(2 500)	-	(17)	1 778	(757)
Air Access (Cape Catalyst)	(15 939)	(10 299)	(2 783)	(890)	32 011	2 099
Science and Technology	(2 730)	(2 500)	(370)	(182)	2 726	(3 056)

ANNEXTURE A						
	2019	Tranche allocation	Transfers & receipts	Interest	Expenditure	2020
	R'000	R'000	R'000	R'000	R'000	R'000
Deferred income						
Other projects	(2 529)	(15 809)	(2 985)	(301)	15 681	(5 944)
Invest in Cape Town publication	-	(100)	-	14	-	(86)
Special Operation Project	(431)	-	(1 260)	-	834	(857)
Project Good Hope	(2)	(3 550)	-	(127)	3 673	(6)
HALAL IBM/African Week	-	(1 812)	(1 225)	11	2 729	(297)
Subvention Funding	-	(2 000)	-	(73)	632	(1 442)
Cradle of Mankind	(472)	-	-	(7)	462	(17)
District Unit	-	(2 000)	-	(68)	928	(1 140)
Manufacturing (Marketing and Promotion)	-	(250)	-	(11)	32	(229)
Tourism Safety Communication Campaign	-	(800)	-	-	695	(105)
War Room Ops	-	(727)	-	-	27	(700)
Global Digital Region	(624)	-	(500)	(25)	970	(178)
African Youth Agripreneur Forum	(1 000)	-	-	-	784	(216)
YPO Conference	-	(500)	-	-	500	-
Biotech industry initiative	-	(500)	-	-	500	-
Cruise Cape Town	-	(400)	-	(15)	-	(415)
Invest in Cape Town Brand	-	(3 170)	-	-	2 915	(255)
Atlantis SEZ	-	(31 487)	-	(191)	20 513	(11 165)
TOTAL	(41 768)	(89 110)	(9 129)	(2 897)	101 923	(40 980)



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