

ANNUAL REPORT

2018/19



WESGRO

cape town & western cape
tourism, trade & investment

Cape Town, Western Cape



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Knysna harbour in the 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
Physical Address:	18th Floor Reserve Bank Building South African Reserve Bank Building Cape Town, 8000
Postal Address:	PO Box 1678 Cape Town 8000
Telephone Number:	021 487 8600
Email Address:	info@wesgro.co.za
Website Address:	www.wesgro.co.za
External Auditors:	Auditor-General South Africa
Bankers:	ABSA ABSA Regional Office, 1st Floor Bridge Park East, Bridgeway, Century City, 7441
Company / Board Secretary:	Kendra Stoffberg

2. list of abbreviations/acronyms

AIU	Agri-Business Investment Unit
APAC	Agriculture Produce Agent Council
AVE	Advertising Value Equivalent
BER	Bureau for Economic Research
BPeSA	Business Processing Enabling South Africa
BPO	Business Process Outsourcing
BRICS	Brazil, Russia, India, China & South Africa
CEO	Chief Executive Officer
CoCT	City of Cape Town
CTICC	Cape Town International Convention Centre
CTRU	Cape Town Routes Unlimited
DEDAT	Department of Economic Development and Tourism
DST	Department of Science and Technology
dti	Department of Trade and Industry
DoTP	Department of the Premier
DEADP	Department of Environmental and Development Planning
DoL	Department of Labour
EAP	Export Advancement Programme
EDP	Exporter Development Programme
EMU	Executive Management Unit
EU	European Union
FDI	Foreign Direct Investment
FTE jobs	Full Time Equivalent jobs
FMCG	Fast Moving Consumer Goods
GDP	Growth Development Plan
GRAP	Generally Recognised Accounting Practices
HR	Human Resources
IDC	Industrial Development Corporation
IMF	International Monetary Fund
IP	Investment Promotion
IPAs	Investment Promotion Agencies
IT	Information Technology
JMA	Joint Marketing Agreement
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
OFDI	Outward Foreign Direct Investment
OTS	Opportunities To See
PFMA	Public Finance Management Act
PSG	Provincial Strategic Goal
PSP	Provincial Strategic Plan
RSA	Republic of South Africa
RTO	Regional Tourism Organisation
SAOGA	South African Oil and Gas Alliance
SARB	South African Reserve Bank
SAT	South African Tourism
SBIDZ	Saldanha Bay Industrial Development Zone
SDG	Sustainable Development Goals
SEZ	Special Economic Zone
SLA	Service Level Agreement
SMMEs	Small, Medium and Micro-sized Enterprises
SOE	Stated Owned Enterprises
SPV	Special Purpose Vehicle
StatsSA	Statistics South Africa
TNCs	Transnational Companies
TP	Trade Promotion
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
WTO	World Trade Organisation
ZAR	South African Rand

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foreword by the chairperson

Wesgro has an unwavering commitment to growing the economy and creating jobs in the Western Cape and South Africa. This is what motivates our board, senior managers and staff, each and every day.

To achieve this overarching objective, we set stretch targets that push our small Agency to do as much as possible with the resources it has at its disposal. Our Annual Report shows our achievements against these targets and represents our public commitment to clean governance and excellence in service delivery.

This has never been more important, as we face economic head winds from every direction.

The Western Cape is emerging out of a challenging drought that influenced key components of our economy. The South African economy is not growing at the rate it needs, nor is it attracting enough investment to change this direction. Globally, trade wars between the USA and China, and uncertainty over Brexit, will likely impact on our growth prospects.

It is against this backdrop that I express both my pride in and gratitude to the Wesgro team. Indeed, in the 2018/19 Annual Report which you are about to read, you will see that despite these challenges, our team have been able to deliver against the stretch targets set for tourism, trade, investment and film.

The combined effort of all the divisions within Wesgro has resulted in an estimated income from the activities of the Agency of R10.7 billion with 3 938 jobs facilitated.

Moreover, our Destination Marketing Organisation, which includes both Business and Leisure Tourism, continued to position the province as the premier tourist destination on the African continent through a number of marketing initiatives.

They played a key role in the messaging response to the drought, including pulling together the “Nowhere better” global tourism campaign. This campaign brought together all levels of government, and the private sector, with a single message that has reached millions of people in our key source markets.

Lastly, the pioneering Cape Town Air Access project, housed within Wesgro, has provided a major boost to the Cape economy. This partnership between the Western Cape Government, the City of Cape Town, Wesgro, Airports Company South Africa, South African Tourism and Cape Town Tourism, as well as the private sector, has helped land 15 new routes and 21 route expansions 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 announcement that United Airlines will commence a non-stop route between Cape Town and Newark/New York from December 2019 will only add to this total, as thousands more tourists visit our beautiful city and province. I look forward to sharing this data in next year’s report.

These achievements would not have been possible without the hard work and dedication of our CEO, Mr Tim Harris, and

the Wesgro staff. On behalf of the Wesgro board, I wish to thank every member for their tireless efforts in helping grow the economy and creating jobs.

These results would also not have been possible without the support, vision and motivation provided by our partners in government. I would therefore like to thank our partners in the Western Cape government - led by Premier Alan Winde and MEC David Maynier – as well as our partners in the the City of Cape Town – led by Mayor Dan Plato and Alderman James Vos - for their guidance and leadership.

And finally, to my fellow board members: I thank you for your commitment to ensuring that Wesgro is a world-class, well-run, public entity that contributes positively to the economy of our province and country. This commitment to excellence is reflected in this Annual Report.

In the end, the question we should all be asking ourselves in South Africa, each and every day, is whether our projects and interventions are helping create jobs for the millions of citizens who remain unemployed or have given up looking for work. This must be our guiding light.

To all the residents of the Western Cape, our stakeholders and partners in government, and to the business community at large, you have our unwavering commitment to ensuring this priority is given effect to in all our endeavours.

This Annual Report, which I have been proud to sign on behalf of the board, is evidence of this.



Sincerely,

A handwritten signature in black ink that reads "B. Figaji". The signature is fluid and cursive, written over a white background.

Brian Figaji, Chairperson
Wesgro



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A view of Table Mountain



chief executive officer's overview

On reflecting on the 2018/19 financial year and the work of Wesgro during this challenging period for our province and country, one key word comes to mind: collaboration.

The ability to work together in finding solutions, across different levels of governments, and between government and the private sector, is not easy. But it is essential in overcoming the many complex hurdles that face our economy. These problems do not only belong to some of us: we all have a role in finding the solutions that will grow our economy and create jobs for all our people.

Wesgro is well positioned to facilitate this collaborative approach. With a strong private sector-led board, we have the ability to build relationships in the business sector and construct bridges between government and Business.

We are also able to act as a space for collaboration in government. We are mandated by both the City of Cape Town, responsible for over 70% of the Province's GDP, and the Western Cape Government, and provide a single platform to market our province to investors, film producers, buyers and tourists. In addition, we house projects partly funded by national government, such as Cape Town Air Access and the InvestSA One Stop Shop. Overall, we are working together as 'Team South Africa' to grow our economy.

It is because of this institutional set-up, and our board and staff's commitment to the principles of collaboration and partnership, that we have been able to achieve against the targets set for us.

There are several noteworthy highlights in this year's report. All are examples of how our dedicated teams across tourism, trade, investment, film and air access have achieved their objectives through collaboration:

Our Investment Promotion Unit helped secure 15 investment projects, to the value of R2,22 billion during the year, exceeding the upper-band target set of R2,1 billion. This will facilitate the creation of 752 jobs.

While many of the major investments landed in the City of Cape Town, this small team travelled extensively throughout the Western Cape, undertaking 39 meetings with municipalities from Saldanha Bay right through to Bitou, to ensure more business for smaller towns.

Our Trade Promotion Unit also exceeded its upper-band target of R2 billion, by signing 79 business agreements with an estimated economic value of R4,97 billion. This will facilitate the creation of 921 jobs.

Many of this unit's missions were undertaken jointly or in collaboration with the national Department of Trade and Industry. They also played a key role in the successful Africa Halal Week conference, providing a platform for engagement between the Halal industry in the Western Cape, international buyers and government.

Our Film and Media Promotion Unit helped secure a total of 5 film and media declarations of R2,38 billion, just shy of the upper-band of R2,5 billion. This, however, will help facilitate a significant 2265 FTE jobs.

This small team of two not only proactively became African Film Commissioners, to help create better linkages between the Western Cape and the African film network, but also worked closely with initiatives such as Film Cape Town to respond to the challenges the film industry encountered during the year, including the drought.

Our Destination Marketing Organisation, which includes both Leisure and Business Tourism units, worked hard during a challenging year to promote our beautiful city and province to visitors and delegates. The total estimated economic value of these initiatives supported amounts to R1, 15 billion. This far exceeded the target of R171, 6 million.

The “Nowhere Better” global tourism campaign which was put together by all levels of government and the private sector was the first “white label” campaign produced in the tourism industry, and provided an unprecedented effort to counter the negative messaging linked to the drought and its associated “Day Zero” message. This campaign has reached millions of prospective travellers.

Our Marketing and Communications Unit, tasked with building confidence in the economy of the province through media and marketing tools, helped generate R157,4 million in Advertising Value Equivalent. This was essential given the numerous shocks in the media linked to the drought, crime and corruption.

The Unit also worked with the City of Cape Town’s Invest Cape Town initiative, DEDAT and the InvestSA One Stop Shop on the province’s first ever-global investor confidence campaign. This digital campaign targeted investors in key source markets, and represented the Western Cape’s commitment to President Ramaphosa’s objective of landing US\$100 billion in foreign direct investment.

Finally, the award-winning Cape Town Air Access partnership housed within Wesgro is the embodiment of the spirit of partnership and collaboration. This partnership between government and the private sector helped land major routes, including a non-stop flight between Cape Town and Hong Kong, as well as the much-awaited non-stop flight between Cape Town and New York. We are now looking to improve connectivity to West Africa, Australia and South America. Watch this space.

Behind these numbers is a dedicated team at Wesgro who inspired every day to help grow the economy and create jobs in the Western Cape and South Africa. I would like to thank each and every one of them for their hard work and commitment.

I also wish to thank our partners at all levels of government, and the private sector, for collaborating with us, as we seek to make the Western Cape the most successful regional economy in the world.

In particular, I wish to thank the Western Cape Government’s Department of Economic Development and Tourism, under the leadership of Mr Solly Fourie, and the City of Cape Town’s Enterprise and Investment Department, under the leadership of Mr Lance Greyling. These departments contribute greatly to our achievements and are part of our success.

Successful organisations are governed by boards with an unwavering commitment to the values of excellence and good-governance. There is no better example than this than Wesgro. I wish to thank every board member for their leadership and guidance and for always expecting nothing but the best from our team.

Over the next year, we will no doubt encounter many more hurdles that will need a joint-up approach to solving them. At Wesgro we are committed to addressing these challenges with determination and in the spirit of collaboration. This has never been more important.

To our stakeholders in government and the private sector, and to all the residents of the Western Cape: join us in telling the world that Cape Town and the Western Cape is open for business. There really is nowhere better.



A handwritten signature in black ink, appearing to read 'Tim Harris', with a horizontal line underneath it.

Tim Harris, Chief Executive Officer
Wesgro

Investment Promotion Unit

secured **15** investment projects, to the value of

R2,22bn



against a target of **R1,3bn to R2,1bn**

752
jobs created



Agribusiness Investment Unit

six investment projects, to the value of

R653,9m

were realised



against a target of **R300m to R420m**

487
jobs created



Trade Promotion Unit

79 business agreements with an estimated economic value of

R4,97bn



against a target of **R1,1bn to R2bn**

921
jobs created



Film and Media Promotion Unit

total of five film and media declarations to the value of

R2,38bn

were recorded



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

2265
fite jobs created



Marketing and Communication Unit

51 strategic corporate agency events hosted against a target of eight



generated a total of **R157,4m** in advertising value equivalent (AVE)

45 strategic media engagements were hosted against a target of eight



Destination Marketing

supported **34** tourism marketing initiatives



against a target of **13**

with an estimated economic impact of over **R1bn**



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

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

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

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

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

The Annual Financial Statements (Part E) 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 as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

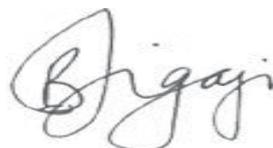
The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2019.

Yours faithfully



Tim Harris
Chief Executive Officer
Date: 31 July 2019



Brian Figaji
Chairperson of the Board
Date: 31 July 2019

6. strategic overview

6.1. vision

To grow the Western Cape economy beyond expectation.

6.2. mission

The mission of Wesgro is:

- To attract and retain direct investment in the Western Cape, grow exports, and market the province as a competitive and sustainable tourism destination globally
- To facilitate the link between business and government decision-makers
- To provide service excellence in all our business support functions.

6.3. values

Wesgro 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
- Integrity and trust

7. legislative and other mandates

7.1. legislative mandate

Wesgro draws its mandate from the Wesgro Act, 1996 as amended according to the Western Cape Investment and Trade Promotion Agency Amendment Act, Act No. 6 of 2013.

The objectives of the Agency shall be:

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

In terms of the PFMA, Act No. 1 of 1999 Wesgro is a Schedule 3(c) public entity.

7.2. policy mandates

National policy framework:

In our review of the policy framework at national level, we have analysed the following documents:

- **National Development Plan (NDP)**

The National Development Plan (NDP) represents a vision

for South Africa in 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.

- **Medium Term Strategic Framework (MTSF)**

The Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014–2019 electoral term. The MTSF sets out the actions Government will take and the targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

Provincial policy framework

In our review of the policy framework at provincial level, we have reviewed the following documents:

- **Project Khulisa**

Project Khulisa identified "a small number of high potential opportunities that can deliver meaningful jobs and growth within a 3–5 year framework". It is a contribution to the achievement of the Provincial Strategic Goal 1 – creating opportunities for economic growth and jobs. It is defined by an effort to narrow the focus of government interventions, but to engage deeply within the chosen sectors. Project Khulisa identified three horizons:

- Horizon 1 – Over the next 3–5 years, the focus will be on the Tourism, Oil, Gas, and Agro-processing sectors of the Western Cape economy.

- Horizon 2 – Over the next 5–10 years, the expanded focus will be on Business Process Outsourcing and the Film sectors.
- Horizon 3 – Over the next 10 plus years, the approach is to build on the broader ecosystem, namely the ICT and Software, Manufacturing and Private Healthcare sectors.

Wesgro, in conjunction with the Department of Economic Development and Tourism and other departments active in the promotion of PSG 1, will play a central role in achieving the stated objectives in each of the chosen sectors.

- **OneCape2040**

The OneCape 2040 vision was developed by a broad range of stakeholders and envisages six transitions. The vision is of a highly-skilled, innovation-driven, resource-efficient, connected, high-opportunity and collaborative society.

- **Provincial Strategic Plan (PSP)**

The PSP sets out the five provincial strategic goals, which are:

- PSG 1 – Create opportunities for economic growth and jobs
- PSG 2 – Improve education outcomes and opportunities for youth development
- PSG 3 – Increase wellness and safety and tackle social ills
- PSG 4 – Build a quality living environment, resilient to climate change
- PSG 5 – Embed good governance and integrated service delivery through partnerships and spatial alignment.

DEDAT through its programmes and activities contributes to PSG 1. The following strategic priorities have been identified by DEDAT:

- Invest in growing, attracting and retaining the skills required by our economy
- Support entrepreneurs and small businesses
- Make it easier to do business by addressing red tape
- Invest in high quality, efficient and competitive infrastructure

- Rebrand the region to increase internal and external investment
- Open markets for Western Cape firms and key sectors wanting to export
- Ensure our economic, social and environmental sustainability
- Demonstrate leadership which promotes an improved regional economic ecosystem (governance) and embraces innovation
- Improve our visitor economy through destination marketing.

- **State of the Province Address**

This is the speech delivered by the Premier at the start of the year setting out the Provincial Government's priorities for the year.

- **Green Economy Strategic Framework**

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

- **The Western Cape Infrastructure Framework**

The provincial Infrastructure Framework aligns the planning, delivery and management of infrastructure provided by all stakeholders (national government, provincial government, local government, parastatals and the private sector).

- **International Relations Strategy**

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

Policy frameworks at municipal level:

- Integrated Development Plan (IDP) of the District Municipalities
- Local Economic Development Strategies of Cape Winelands; Central Karoo; Eden; Cape Overberg and West Coast
- Integrated Development Plan (IDP) of the City of Cape Town
- Economic Development Strategy of the City of Cape Town



8. organisational structure

Wesgro is a Provincial public entity as envisaged in the PFMA and is managed by a Board of Directors appointed by the Executive Authority. The table below provides a list of the Board members in 2018/19.

Wesgro Board Members



Professor Brian Figaji
Chairperson



Mr. Michael Spicer
Deputy Chairperson



Mr. Ashraf Ameen
Director



Mr. John van Rooyen
Director



Mr. Paul Bannister
Director



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



Ms. Andrea Böhmert
Director



Mr. David Green
Director



Mayor Marius Koen
Director



Ms. Palesa Morudu
Director



Mayor Helena von Schlicht
Director



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



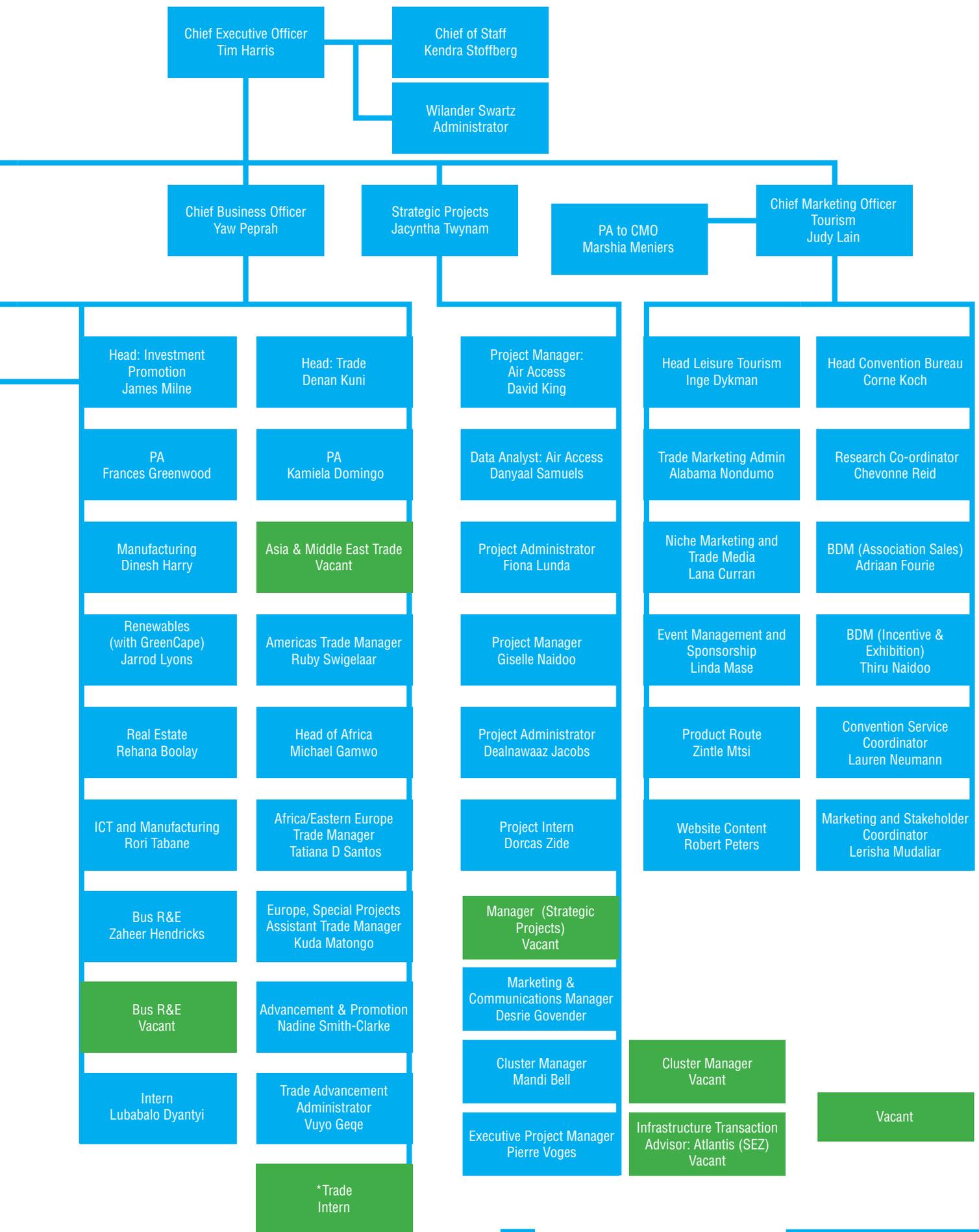
Mr. Lance Greyling
Ex-Officio Member of the
Board representing the
City of Cape Town/
Chairperson of the Human
Resource and Remuneration
Committee



Mr. Tim Harris
Chief Executive Officer

8.1 organogram





*the position is not to be filled

Cango Caves in Oudtshoorn, Western Cape







part b



performance information

part b: performance information

1. auditor's report: predetermined objectives

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under

the "Predetermined Objectives" heading in the "Report on other legal and regulatory requirements" section of the auditor's report.

Refer to page 93 – 94 of the Auditor's Report, published as Part E: Financial Information.

2. situational analysis

2.1. service delivery environment

A number of headwinds during the period under review created a challenging environment for the Agency to deliver. An increasingly volatile global trade regime, a stagnating economy at home, and the ongoing effects of the drought on the Western Cape, in particular, contributed to this situation. Notwithstanding these very serious challenges, the Agency performed well under the period under review.

During the financial year under review the Agency committed a total of 15 investment projects with an investment value of R2,22bn, resulting in the facilitation of 752 jobs. The Agency, through investment promotion, has contributed to the objectives outlined in Project Khulisa through the realisation of investments in the renewable energy and manufacturing sectors, among others. The Agency continues to focus on building a robust project pipeline, focusing on the sectors outlined in Project Khulisa as it adopts 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 79 trade promotion business agreements were signed, with an estimated economic impact of R4,97bn, resulting in the facilitation of 921 jobs. In addition, seven OFDI projects were committed to the value of R381m.

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

As one of the key focus areas of Project Khulisa, the

Agency has confidently pursued its mandate to promote the province and the city as the preferred business and tourism destination, through the implementation of various tourism destination marketing initiatives. During the period under review, the Agency supported a total of 34 tourism destination marketing initiatives, with an estimated economic impact of over R1,1bn. The Convention Bureau secured 30 bids, with an estimated economic impact of over R1bn. Wesgro financially supported 50 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 105 publications and completed 237 information requests with an average turnaround time of 1,4 days.

As part of the new strategy, the Agency focused on building the Cape's business brand, the provincial tourism 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 of R157,4m worth of media coverage (measured using "Advertising Value-Equivalent"). Furthermore, a total of 51 strategic corporate engagements and 45 media engagements were held.

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 and Province as the preferred filming destination. Through increased efforts to promote the destination and grow the industry, the Agency secured a total of five film and media production declarations, to the value of R2,38bn and facilitating a total of 2 265 FTE jobs.

With the preceding in mind, through 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 destination as a preferred tourism destination. A total of 133 investment declarations, film and media declarations, business agreements and tourism initiatives were secured and supported during the period under review, with an estimated economic impact of over R10bn and facilitating nearly 4 000 jobs. The table below provides a breakdown of the estimated economic impact of the various initiatives implemented per programme.

Table 1: Overall Estimated Economic Impact and Jobs created 2018/19

Programme	Estimated economic impact (R)	Direct jobs
Investment promotion	2 222 100 000	752
Trade promotion	4 975 096 377	921
Destination Marketing (Tourism)	1 150 989 000	-
Film and media promotion	2 386 000 000	2 265
Total	10 734 185 377	3 938

2.2. Organisational environment

With the institutionalisation and operationalisation of the new strategy, focused 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 the 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. The table below provides a breakdown of Wesgro's key strengths, weaknesses, opportunities and threats.

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"> Website not user-friendly Contact management is weak The Agency is financially under-resourced 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"> • Lack of collaboration between role-players and duplication in effort • Negative perceptions of SA that affects 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 in line with changing industry needs

2.3. Key policy developments and legislative changes

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

2.4. Strategic outcome oriented goals

Strategic Outcome Oriented Goals	
Strategic goal	The stimulation, facilitation and increase of economic growth and job creation through tourism promotion, trade promotion and investment promotion in the Western Cape province.
Goal statement	<p>It is envisaged that the Agency will achieve the following deliverables over the period extending from 2015/16 to 2019/20;</p> <ul style="list-style-type: none"> • To market Cape Town and the Western Cape as the tourism destination for growing international and domestic tourist numbers • To recruit and facilitate between R5,82bn and R9,8bn of direct investment into the province • To recruit and facilitate between R508m and R1,23bn Outward Foreign Direct Investment (OFDI) and facilitate an estimated Rand value of trade promotion business deals 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 R2,29bn was committed during the 2017/18 year, facilitating a total of 1 014 jobs. In addition, the Agency secured 53 business agreements, with an export value of R2,83bn, resulting in 679 jobs. Furthermore, R190m in OFDI was committed. With regards to destination marketing, the Agency supported 32 tourism marketing activities, with an estimated economic value of R454,4m.
Justification	Wesgro plays a pivotal role in investment and trade promotion, and marketing Cape Town and the Western Cape as a tourism destination.
Links	The goal is linked to Provincial Strategic Goal 1: "Create opportunities for growth and jobs", and the strategic objectives of the DEDAT and the City of Cape Town. Further to this the goal is linked to the Wesgro Act.

Progress towards achieving the strategic outcome oriented goals (2015- to date)

The Agency has made significant strides towards the achievement of its strategic goals, by adopting an outcomes-based approach focused on results. From the commencement of the new reporting cycle in 2015/16 to

date, the Investment Promotion Unit committed a total of 49 projects with an investment value of R8,61bn, facilitating a total of 3 143 jobs.

Aimed at increasing the value of global exports and assisting companies expand into Africa, the Agency has adopted a more proactive approach, which has yielded positive results. A total of 173 trade promotion business agreements were signed with an estimated export value of R16,85bn, facilitating 2 381 jobs. In addition, the Agency committed three OFDI projects, with an investment value of R1,07bn.

To promote the region as a preferred tourism and business destination the Agency has implemented and supported various tourism initiatives. Guided by Project Khulisa, the Agency has focused on specific initiatives that contribute to regional growth and job creation. During the period under

review the Agency supported a total of 80 tourism initiatives with an estimated economic value of R2,04bn. The initiatives supported throughout the period enabled the Agency to increase awareness about the region, generating a total of R288,2m worth of advertising value equivalent (AVE).

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 in to the Province. For the period under review, the Agency has signed a total of 19 film and media declarations with an estimated value of over R5bn, facilitating a total of 7 984 FTE jobs.



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 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 sub-programme of financial management will also ensure that the necessary resources to efficiently run core operations are provided.

Sub-programme 1.2: IT and Administrative services

As a provincial public entity, the Agency also has to comply with the Public Finance Management Act 1 of 1999 and the Public Service Act. Wesgro is compelled to follow the principles of these Acts in ensuring that modernisation of systems of management within the public sector is achieved, and transparency and accountability 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 a necessary component to maintain credibility, ensure accountability, improve operating efficiencies and generate institutional memory.

Sub-programme 1.3: Human Resource Management

The Human Resources sub-programme will help ensure that the Agency becomes the employer of choice and maintains a world-class, talented and skilled workforce. A priority is to attract, recruit and retain staff by creating a culture and climate conducive to sustaining a motivated workforce. In addition, the sub-programme will ensure all legislative compliance with regards to human resource 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 and the Public Finance Management Act (PFMA). The sub-programme is also responsible for the timely and accurate delivery of monthly, quarterly, and annual reports to stakeholders.

Strategic objectives

The strategic objectives of the programme are:

- To attain and maintain a high-level financial management capability over 5 years

- To provide first class IT and administration services to the Agency
- To create a culture and climate to attract, sustain and retain a motivated, talented and skilled workforce and ensure that the Agency becomes the employer of choice
- To ensure that an effective monitoring and evaluation system is implemented aligned to the legislative and regulatory prescripts pertaining to performance management.

Strategic objectives, performance indicators, planned targets and actual achievements

Financial Management

During the financial year under review, the Unit implemented the necessary systems and processes to ensure compliance with the relevant legislative prescripts in terms of expenditure and supply chain management, as well as performance management. The Agency received an unqualified audit for the 2017/18 financial year.

The final budget and Annual Performance Plan for the ensuing financial year were completed and submitted as per the legislative requirements. The new project management budget tool was installed and will be implemented in the ensuing financial year.

IT and administrative services

Since the in-sourcing of the IT function, the Agency has updated IT infrastructure and streamlined various processes to enhance operational efficiency.

The recent upgrading of IT infrastructure resulted in an increase in network security, which led to a significant decrease in downtime. With the preceding in mind, the Agency experienced downtime of four hours and two minutes for the period under review.

Desktop support continues to respond to IT support queries timeously, due to the implementation of efficient processes.

HR

The annual inflationary staff increase of 6,5% was approved by the Wesgro Board and was effected on 1 April 2018.

The Agency has signed off the performance agreements for the 2018/19 period and has implemented the training needs identified, subject to the budget. As part of the implementation, the Agency also assisted staff members by allocating funds towards their post-graduate programmes, which will further assist to develop them in both their

professional and personal capacities. This forms part of the retention strategy.

The external audit was completed successfully and signed off, and the performance bonus for 2017/18 was approved by the Wesgro Board and paid in August 2018.

To create employment and growth opportunities for talented young individuals, Wesgro implemented an annual internship programme. As part of the programme, the Agency participated in Career Expos at Stellenbosch University, the University of the Western Cape and the University of Cape Town, aimed at promoting and profiling the Agency as the employer of choice.

Monitoring and Evaluation

During the financial year under review, the Agency submitted five progress reports and four corporate plans to the relevant stakeholders as legislatively required. Increased efforts to enhance internal controls and accurate performance reporting yielded positive results, we received an unqualified external performance audit outcome for the 2017/18 financial year. The Agency appeared before the Standing Committee on Economic Opportunities, Tourism and Agriculture and the Standing Committee on Public Accounts to present the Annual Report for 2017/18, the report was well received. In addition, the Agency appeared before the Standing Committee on Economic Opportunities, Tourism and Agriculture, in conjunction with the Department, to discuss the Vote 12 Appropriation Bill for the ensuing financial year.

Strategic objectives

Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
Enhance financial accountability through compliance with all prescribed financial regulations and guidelines	100%	100%	100%	100%		
Maintain and enable a reliable and stable network infrastructure through a maximum of four hours of downtime during working hours	52 hours downtime	25,69 hours	4 hours	4 hours and 2min	2min	Due to an unexpected drive failure the Agency experienced some downtime with its storage system
Management of staff morale within the Agency by conducting regular surveys	80%	87%	75%	85%	10%	Management emphasised the importance of staff morale and implemented a number of initiatives to increase staff morale within the Agency
Compliance with all legislative and regulatory prescripts pertaining to performance management through the submission of performance reports	5	5	5	5	-	

Key performance indicators, planned targets and actual achievements
Sub-programme 1.1: Financial Management

Financial Management							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments on deviation
1.1.1	Number of revenue and projection reports submitted to stakeholders	12	9	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	30 days	30 days	
1.1.3	Average turnaround time for approval of workflows from date of receipt	2,8 days	2,69 days	3 days	2,49 days	-0,51 days	Due to increased efficiencies, the Unit was able to expedite the processing of workflows and decrease turnaround time.
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 – with no material findings	clean external audit opinion	unqualified external audit opinion – with findings	-	-

Sub-programme 1.2: IT and Administrative Services

IT and Administrative Services							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments on deviation
1.2.1	Maximum downtime during working hours	49,5 hours	25,69 hours	4 hours	4 hours and 2 min	2min	Due to an unexpected drive failure the Agency experienced some downtime with its storage system
1.2.2	Average turnaround time for responding to logged desktop support IT queries	9,78 hours	4,08 hours	24 hours	13 hours and 25 min	11 hours and 4min	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 (HRM)

Human Resource Management (HRM)							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments on deviation
1.3.1	Results achieved based on the outcome of the climate and employee satisfaction surveys conducted	80%	87%	75%	85%	10%	Management emphasised the importance of staff morale and implemented a number of initiatives to increase staff morale within the Agency.
1.3.2	Implementation of the staff performance management system	complete	complete	Sign-off new performance agreements May 2018	complete	-	-

Sub-programme 1.4: Monitoring and Evaluation

Human Resource Management (HRM)							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments on deviation
1.4.1	Number of performance reports submitted by the deadline as legislatively required	5	5	5	5	-	
1.4.2	Number of corporate plans submitted by the deadline as legislatively required	4	4	3	4	1	An additional draft of the Annual Performance Plan (APP) 2019/20 was submitted to Provincial Treasury, as legislatively required.

Strategy to overcome underperformance

The IT service has been in-sourced 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	2018/19			2017/18		
	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	15 816	15 341	475	14 773	15 144	-371
Total	15 816	15 341	475	14 773	15 144	-371

Fair Value Movement on PUT option not included in the budget



3.2. programme 2: investment promotion

Purpose

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

Programme structure

Wesgro attracts direct investment to the Western Cape from international, national, and local sources by providing the following services.

Investment recruitment

Wesgro proactively markets the province and priority sectors in order to attract investment. The Agency's investment promotion activities include:

- Investor research
- Investor targeting
- Inward and outward missions
- Matchmaking local and foreign firms
- Business facilitation

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

- Facilitation of access to incentives/grants ('best-efforts' basis)
- Site location
- Facilitation of access to finance ('best-efforts' basis)
- Professional referral services
- Access to strategic networks
- Assistance in approval expedition

- Policy advocacy
- Strategic matchmaking
- Immigration guidance

Aftercare

Through the aftercare programme, Wesgro aims to use the current pool of Wesgro investor clients, as well as current investors in the Western Cape who have not used the Agency's services, as a source of increased investment through the expansion of their business interests in the province. The commitment to business retention and expansion emphasises a dedication to current investors in the ambit of facilitation and advocacy.

Advocacy

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

Special projects: Agribusiness Investment Unit

The aim of the special projects programme is to manage key projects on behalf of our stakeholders. The Investment Promotion Unit manages the Agribusiness Investment Unit as a project on behalf of the Department of Agriculture. The Unit is responsible for locating new direct investments in the Western Cape Agri-Business sector, as well as retaining existing investments and supporting their expansions.

Strategic objectives

The strategic objective of the programme is to:

- Facilitate investment and job creation in the Western Cape.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of 15 investment projects, to the value of R2,22bn, against a target of R1,3–R2,1bn. This has assisted in the facilitation of 752 jobs and growing the Western Cape's industrial base. Investment performance has also contributed to the objectives outlined in Project Khulisa through 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 2. Committed investment projects 2018/19					
Company	Source Country	Broad Sector	R	Jobs	District
MHK Group	UAE	Oil & Gas	20 000 000	5	City of Cape Town
Global Energy	South Africa	Waste/Agri-processing	600 000	1	City of Cape Town
Citra	Switzerland	Real Estate/Infrastructure Development	120 000 000	60	City of Cape Town

Table 2. Committed investment projects 2018/19

Company	Source Country	Broad Sector	R	Jobs	District
CSK Material Holding CC	South Africa	Textiles	3 250 000	2	City of Cape Town
Turnkey Water Solutions	South Africa	Infrastructure	4 250 000	1	Garden Route District - Hessequa Municipality
Prodigy Finance	UK	ICT	1 000 000 000	150	City of Cape Town
Hoody Productions CC	South Africa	Textile	11 000 000	30	City of Cape Town
Tramper Technology	Netherlands	Manufacturing	50 000 000	25	City of Cape Town
Panasonic (Pty) Limited Electronics	Japan	Manufacturing	600 000 000	50	City of Cape Town
Ozonator	South Africa	Waste	45 000 000	60	City of Cape Town
Mustacchio (Pty) Ltd	Italy	Food & Beverages	5 000 000	40	City of Cape Town
ACICO	UAE	Real Estate & Infrastructure	160 000 000	10	City of Cape Town
Paygas Pty Limited	South Africa	Oil & Gas	70 000 000	260	City of Cape Town
Ucook	South Africa	Technology	4 000 000	25	City of Cape Town
Agriprotein	South Africa	Waste	129 000 000	33	City of Cape Town
Total			2 222 150 000	752	

The Unit recruited a total of 96 new quality investment projects into the project pipeline, which it seeks to commit through the remainder of the five year strategy. Through the adoption of a more pro-active approach to targeting investors locally and internationally, the Unit managed to exceed the

target. Further to this, the Unit has been aggressive in its engagements with Sector Development Agency's (SDA's), to solicit leads. A total of 47 engagements with SDA's were held for the financial year.

The Unit embarked on 16 outward missions during the financial year. The table below provides a breakdown of the outward missions embarked upon during the financial year:

Table 3. Outward Missions

Country	Month	Sector
USA	May	Oil & Gas
France	May	Multi sector
United Kingdom	June	Multi sector
Luoyang & Shanghai, China	June	Multi sector
Hong Kong	June	Multi sector
Singapore	September	Manufacturing / Oil & Gas
Shanghai, China	September	Green Economy / Electric Vehicles
Hong Kong	September	Green Economy / Multi sector
Germany	October	Green Economy

Table 3. Outward Missions

Country	Month	Sector
Saudi Arabia	October	Multi sector
UAE	October	Multi sector
Japan	November	Multi sector
Indonesia	November	Multi sector
Qatar	November	Multi sector
Netherlands	January	Tech
USA	February	Green Economy / Boat-building

A total of 83 inward business delegations were hosted from Canada, Beijing/Luoyang/Shanghai – China, Finland, France, Germany, Hong Kong, Indonesia, Japan, Malaysia, Qatar, Saudi Arabia, Singapore, Sweden, Switzerland, Thailand, UAE, Uganda, UK and USA to market the Western Cape to potential investors.

Special Projects – Agribusiness Investment Unit (AIU)

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

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of 6 investment projects, to the value of R 653,9m, against a target of R300m –R420m. This has assisted in the facilitation of 487 jobs against a target of 200-280 jobs and growing the Western Cape's industrial base. Investment performance has also contributed to the objectives outlined in Project Khulisa through the commercialisation of investments in the renewable energy and manufacturing sector, amongst others. The table below provides a breakdown of committed investment projects and the number of jobs created during the financial year under review:

Table 4. Committed Investment Projects 2018/19

Company	Source Country	Broad Sector	R	Jobs	District
Noble Wine & Spirits	India	Food and beverages	125 000 000	250	City of Cape Town
Good Hope Meat Hyper	South Africa	Agri-processing	25 000 000	50	City of Cape Town
Raffine SA	India	Agribusiness	50 000 000	10	City of Cape Town
Molo Lolo	France	Agribusiness	45 833 608	10	City of Cape Town
HIK	South Africa	Agro-processing	179 108 534	132	Overberg
Distell Group	South Africa	Beverages	229 000 000	35	Cape Winelands
Total			653 942 142	487	

Purpose

The purpose of the Unit is to attract and facilitate foreign and domestic investment into the Western Cape, as well as retaining existing investments and supporting their expansion.

Strategic objectives

The strategic objective of the programme is to:

- Facilitate investment and job creation in the Western Cape.

The Unit recruited 23 new quality investment projects into the project pipeline, which it seeks to commit through the remainder of the five-year strategy. Through the adoption of a more pro-active approach to targeting investors locally and internationally, the Unit managed to exceed the target.

In addition, the Unit has expanded engagements with Local and District Municipalities to enhance support across the province, undertaking 19 engagements during the financial year.

The Unit embarked on nine outward missions during the financial year (Netherlands and France were visited in one outward mission). The table below provides a breakdown of the outward missions embarked upon during the financial year.

Table 5. Outward Missions		
Country	Month	Sector
Malaysia	March	Agribusiness
USA	April	Agribusiness
Germany	May	Agribusiness
UK	June	Agribusiness
France	July	Agribusiness
Qatar	November	Agribusiness
U.A.E	November	Agribusiness
France	December	Agribusiness
India	December	Agribusiness

Special Projects – Invest SA 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 DTI’s Invest SA division. The Cape Investor Centre (“CIC”) will be a collaboration of various arms of both national and regional government who will endeavour to assist potential investors with regulatory and administrative bottlenecks.

Purpose

To reduce the 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.

Strategic objectives, performance indicators, planned targets and actual achievements

The unit facilitated a total of 13 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 for the period under review:

Table 6. Regulatory issues resolved 2018/19			
Company	Source Country	Broad Sector	Partner Organisation
Hoody Productions CC	South Africa	Textile	SARS
Walker Bay Spices	South Africa	Agri-processing	SARS (VAT)
Yokico	Australia	Retail	SARS and DoL
Café du Cap	South Africa	Food and Beverage	Liquor Board
Fruitco	South Africa	Agribusiness	The Dti

Table 6. Regulatory issues resolved 2018/19

Company	Source Country	Broad Sector	Partner Organisation
Fruitco	South Africa	Agribusiness	SARS
Walker Bay Spices	South Africa	Agribusiness	SARS (Euro1 export certification)
Atlantis Manufacturing	South Africa	Manufacturing	National Regulator of Compulsory Standards (NRCS)
Silver Lining 360	South Africa	Film	The Dti
Ucook	South Africa	Agribusiness	Liquor Board
Panasonic	Japan	Manufacturing	National Regulator of Compulsory Standards (NRCS)
Mustacchio Café	Italy	Food and Beverage	Liquor Board
Distell	South Africa	Agribusiness	The Dti

Strategic objectives

Investment Promotion							
No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ¹	Deviation from planned target	Comments
2.1	Rand value of committed investments in to the Province	R2,127bn	R2,29bn	R1,3bn – R2,1bn	R2,22bn	R922,1m	The Unit exceeded targets in terms of the number of projects closed for the year, which contributed to the increase rand value of investment. In addition, certain projects were capital intensive, resulting in the over-performance.
2.2	Number of jobs facilitated from committed investments in to the Province	696	1 014	620-1 300	752	-	

¹ The actual achievement reported for the financial year under review, for the rand value of investment and the number of jobs facilitated are estimated figures extracted from the independent declarations signed by the companies supported.

Strategic objectives: Agri-business

Agri-business Investment Unit							
No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ²	Deviation from planned target	Comments
2.4.1	Rand value of committed investments in the agri-business sector in to the Province	R735m	R756m	R300m-R420m	R653,9m	R353,9m	The projects realised were more capital intensive which resulted in the over-performance.
2.4.2	Number of jobs facilitated from committed investment in the agri-business sector in to the Province	410	1 412	200-280	487	287	The projects realised were more labour intensive which resulted in the over-performance.

Key performance indicators, planned targets and actual achievements Investment Promotion

Investment Promotion							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
2.1.1	Number of investment projects realised	12	12	14	15	1	The additional project was secured sooner than anticipated due to the expedition of facilitation services

Agri-business Investment Unit

Agri-business Investment Unit							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
2.4.1.	Number of investment projects realised in the agri-business sector	3	6	7	6	-1	The outstanding investment projects were not realised within the anticipated time-frame due to further engagement required, which resulted in the under-performance

² The actual achievement reported for the financial year under review, for the rand value of investment and the number of jobs facilitated are estimated figures extracted from the independent declarations signed by the companies supported.

InvestSA One-Stop-Shop: Western Cape

InvestSA One Stop Shop							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
2.5.1	Average time taken to respond to investment enquiries from date of receipt	-	-	3 days	0,95 days	2,05 days	Based on the implementation of an enhanced customer-centric strategy, the Cape Investor Centre (CIC) was able to assist with qualified enquiries at an average time of 0,95 working days. The One Stop Shop (OSS) strives to enhance the ease of doing business in the Western Cape.
2.5.2	Number of regulatory issues resolved	-	-	10	13	3	Due to the expedition of facilitation services and the development of a robust pipeline, the Unit was able to exceed the target.

Strategy to overcome areas of under-performance

The Unit remains committed to building a robust pipeline and to the expedition of 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	2018/19			2017/18		
	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	5 601	5 050	551	4 450	4 329	121
Total	5 601	5 050	551	4 450	4 329	121

Variance due to travel expenditure exchange rate fluctuations

3.3. programme 3: trade promotion

Purpose

The purpose of this programme is to promote and facilitate 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 into 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).

In response to the request made by the Minister of Economic Opportunities, to explore ways of supporting Western Cape companies with increasing trade and expanding into the rest of the African continent, the Trade Promotion Programme changed its strategic direction. The programme will now focus on increasing the Rand value of exports into global markets and the number of jobs resulting from export orders, as well as the facilitation of support operations and expansion of qualified Western Cape companies into the rest of Africa.

Sub-programme 3.1: Trade Promotion

Wesgro will focus on companies that have export experience and capacity to supply a demand for goods or services in global markets. The programme will present proactive client engagement activities.

Business facilitation

The Agency's facilitation activities include:

- Business agreement facilitation
- Accessing finance
- Investor and company matching
- Market research and information
- Forging strategic collaboration and partnerships

Promotion

Wesgro offers several promotional services including:

- Buying and selling missions
- Advocacy and specialised advisory services
- Access to strategic networks
- Marketing of value-added goods and services

Sub-programme 3.2: African Expansion (OFDI)

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

Business facilitation

The Agency's facilitation activities include:

- Operating business agreement facilitation
- Accessing finance
- Investor and company matching
- Market research and information
- Forging strategic collaboration and partnerships

Promotion

Wesgro offers several promotional services including:

- Buying and selling missions
- Advocacy and specialised advisory services
- Access to strategic networks
- Marketing of value-added goods and services

Strategic objectives

The strategic objectives of the programme are:

- To promote and facilitate global exports of goods and services from qualified companies in the Western Cape
- To facilitate and support operations and expansion of Western Cape companies into 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 79 business agreements, with an estimated economic value of R4,97bn resulting in the facilitation of 921 jobs. Through the expedition of facilitation services, the Agency finalised the deals sooner than anticipated. The table below provides a breakdown of the business agreements signed:

Table 7. Global Exports 2018/19				
Source Country	Broad Sector	R	Jobs	District
Singapore	Agri-processing (Halal)	2 000 000 000	40	KwaZulu Natal
Japan	Agri-processing (Halal)	35 000 000	5	Montague Gardens, Cape Town
Japan	Agri-processing (Halal)	600 000 000	0	Paarl
Netherlands	Agri-processing	3 000 000	5	Green Point, Cape Town
Cameroon	Agri-food	8 000 000	5	Platteklouf, Cape Town
Cameroon	Shipping & Logistics	5 000 000	5	City Centre, Cape Town
Cameroon	Agri	30 000 000	3	Montague Gardens, Cape Town
Cameroon	Agri	25 000 000	5	City Centre, Cape Town
Japan	Agri-processing (Halal)	2 640 000	3	Bellville, Cape Town
Singapore	Agri-processing (Halal)	5 400 000	10	Green Point, Cape Town
Singapore	Agri-processing (Halal)	11 400 629	5	Montague Gardens, Cape Town
China	Agri-processing	3 000 000	0	Platteklouf, Cape Town
Netherlands	Agri-processing	500 000	2	Milnerton, Cape Town
Ireland	Agri-processing	13 890 000	40	Kuilsriver, Cape Town
Ethiopia	Medical	20 000 000	30	Tableview, Cape Town
Ethiopia	Medical	15 000 000	15	Tableview, Cape Town
Ethiopia	Logistics	300 000	0	City Centre, Cape Town
Ethiopia	Interior Designs	1 000 000	2	City Centre, Cape Town
Senegal	Agri-processing (Halal)	2 000 000	5	Lansdowne, Cape Town
Senegal	Agri-processing (Halal)	5 238 000	4	Bellville, Cape Town
Senegal	Agriculture	5 710 000	10	Rondebosch, Cape Town
Senegal	Coffee, Rooibos, Beverages (Halal)	5 000 000	4	Woodstock, Cape Town
Senegal	Agri-processing	90 000 000	2	Blouberg, Cape Town
Senegal	Agri-processing (Halal)	5 000 000	20	Kuilsriver, Cape Town
Senegal	Agri-products and FMCG (Halal)	60 000 000	0	Paarl, Western Cape
Thailand, Philippines, Singapore	Agri-processing	500 000	8	City Centre, Cape Town
France	Agri-processing	1 750 000	20	Rondebosch, Cape Town
Brazil	Manufacturing	10 500 000	3	City Centre, Cape Town

Table 7. Global Exports 2018/19

Source Country	Broad Sector	R	Jobs	District
UK	Agri-processing	142 866	1	Mowbray, Cape Town
Brazil	Manufacturing	500 000	4	Woodstock, Cape Town
Amsterdam	Agri-processing	5 723 136	10	Malmesbury
USA	Agri-processing	2 000 000	5	Robertson & Bonnievale
Brazil	Agri-processing	1 000 000	3	Robertson & Bonnievale
UK	Agri-processing	13 775 000	10	City Centre, Cape Town
UK	Agri-processing	3 000 000	5	Green Point, Cape Town
UK	Agri-processing	222 912	0	Riversdale, Mossel bay
South Korea	Agri-processing	28 748 160	42	Paarl, Western Cape
Mozambique	Agri	154 450 000	100	Bellville, Cape Town
Mozambique	Manufacturing	210 000 000	25	Stellenbosch, Cape Town
UK	Agri-processing (Halal)	100 000	5	Robertson
Nigeria	Agri-processing	200 000 000	8	Paarl, Western Cape
Nigeria	Agri-processing	80 000 000	10	Paarl, Western Cape
Nigeria	Agri-processing	3 000 000	20	City of Cape Town
Nigeria	Building	20 000 000	26	Saldanha Bay
Nigeria	Energy	5 000 000	5	Vredenburg
Nigeria	Waste Management	10 000 000	5	Kuilsriver, Cape Town
Nigeria	Apparel	10 000 000	0	Brooklyn, Cape Town
Thailand	Agri-processing	50 000 000	0	Airport Industria, Cape Town
Korea	Agri-processing	2 640 000	3	Bellville, Cape Town
UK	Agri-processing	5 000 000	5	Table View, Cape Town
Thailand	Agri-processing	2 000 000	4	Stellenbosch, Cape Town
UK	Agri-processing	55 000 000	3	Rondebosch, Cape Town
UK	Agri-processing	100 000 000	10	Woodstock, Cape Town
Thailand	Agri-processing	5 000 000	10	Wynberg, Cape Town
USA	Agri-processing	1 000 000	80	Woodstock, Cape Town
Malaysia	Cosmetics	250 000	1	Melkbosstrand, Cape Town
USA	Agri-processing	69 668 210	40	Cape Town
Kenya & Rwanda	Mining, Public & Related matters	2 500 000	3	Kigali, Rwanda
Kenya & Rwanda	Manufacturing	25 000 000	10	Cape Town

Table 7. Global Exports 2018/19

Source Country	Broad Sector	R	Jobs	District
USA	Agri-processing	5 000 000	24	Cape Town
Malaysia	Cosmetics	50 000	2	Cape Town
Kenya & Rwanda	Service	10 000 000	3	Techno Park, Stellenbosch
Kenya & Rwanda	Industrial Warehousing & Logistics	5 000 000	5	Capricorn Business Park
France	Agri-processing	20 000 000	30	Kuilsriver
France	Agri-processing	9 000 000	25	Malmesbury
France	Agri-processing	130 000 000	0	Groot Drakenstein
USA	Agri-processing	1 000 000	3	Cape Town
USA	Agri-processing	7 000 000	5	Schernpenheuvel Valley
USA	Agri-processing	96 250 000	1	Paarl
USA	Agri-processing	50 000 000	0	Airport Industria, Cape Town
Malaysia	Beauty	1 250 000	25	Bellville
Malaysia	Beauty	80 000	2	Brackenfell
Dubai, UAE	Agri-processing	10 000 000	0	Stellenbosch
Dubai, UAE	Agricultural	7 000 000	2	Cape Town
Dubai, UAE	Agri-processing	139 731 750	5	Milnerton
Dubai, UAE	Agri-processing	22 500 000	15	Claremont
Dubai, UAE	Agri-processing	270 685 714	50	Parow
Dubai, UAE	Product	110 000 000	20	Parow Industria
Dubai, UAE	Agri-processing	50 000 000	0	Groot Drakenstein
Total		4 975 096 377	921	

The Unit secured a deal worth R2bn as a result of targeting high profile buyers for Africa Halal Week. One of these buyers, from Mustafas in Singapore, was so impressed with

the quality of Western Cape Halal products that she sourced R2bn in product in one shipment.

In addition, the Agency committed a total of nine Outward Foreign Direct Investment projects to the value of R381m. The table below provides a breakdown of the declarations signed:

Table 8. Outward Foreign Direct Investment (OFDI) 2018/19

Source Country	Broad Sector	R	Jobs	District
Cameroon	Halal Agri-processing	85 000 000	40	Paarl
Cameroon	Beauty	8 000 000	20	Cape Town
Senegal	Furniture	100 000 000	12	Cape Town
Ethiopia	Agriculture	60 000 000	25	Salt River

Table 8. Outward Foreign Direct Investment (OFDI) 2018/19

Source Country	Broad Sector	R	Jobs	District
Nigeria	Manufacturing	28 000 000	10	Cape Town
Nigeria	Manufacturing	20 000 000	100	Cape Town
Nigeria	Agri-business	60 000 000	8	Paarl
Kenya & Rwanda	Mining, Public & Related matters	800 000	3	Durban
Dubai, UAE	Agri-processing	20 000 000	20	Cape Town
Total		381 800 000	238	

The Export Advancement and Promotion programme offered a range of services to companies. The focus of the programme is on building export competence and capability of companies involved in exports as well as those new to exports. The main project activities included proactive engagement and providing export technical training to Western Cape businesses. Furthermore we offer mentoring, over a period of 12 months, both export and business functions related, and advisory services to clients facing challenges in market access, expansion, and export capability.

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

- The Export Advancement Programme (EAP) supported companies through the Export Training Programme, addressing all aspects of the export process through theory and practical methodologies. Modules covered; orientation to export, preparing to export and developing an export marketing plan, financial risk management, export costing and logistics, incoterms 2010 and export marketing. Three training sessions were offered this year. The EAP also offered halal export training for two Western Cape companies.
- Export 1-on-1 mentorship, focused on export-specific processes is implemented after the completion of the export training programme. 15 companies were accommodated in the programme this year. Exporters are provided with practical guidance in implementing the set goals, with the goals linked to a timeframe.
- Business Development Mentorship (PUM) is a Dutch mentorship programme, which addresses specific business needs. Skills transfer is tailored to the exporter's requirements, which are enhanced by the

PUM mentors' extensive global experience in developing specific business areas which are in need of improvement.

- Through these mentorship programmes we supported 15 companies during this financial year. The agro-processing, lifestyle design and manufacturing, clothing and textiles, medical suppliers and steel sectors were all represented.
- EAP led Western Cape companies on the following outward selling missions:
 - ⇒ Seoul Food & Hotel 2018 (01 - 04 May 2018): Ten Western Cape companies visited South Korea on an outward selling mission aimed at the agri-processing sector. Five of the wine companies won awards at the blind tasting challenge during the show.
 - ⇒ Cosmobeauté Show, Malaysia (09-12 July 2018): Wesgro led the mission with eleven Western Cape companies to showcase their cosmetic products at the Cosmobeauté Asia 2018 exhibition in Kuala Lumpur, Malaysia. The objective of the OSM was to facilitate access for South African value-added products into Malaysia. The targeted sectors for trade included cosmetics, personal hygiene, medical aesthetic products and equipment, health and food beverages, equipment and solutions for the beauty salon and wellness industry.
 - ⇒ China International Import Exhibition (05-11 November 2018): This was the first exhibition arranged by the Chinese government in Shanghai. SA attended as an invited country. The DTI invited export councils and agencies to represent South Africa. The event was an excellent

opportunity to showcase the Western Cape's trade, investment and tourism offerings.

- ➔ Tranoi Show, France DTI OSM (18-20 January 2019): This was the first time that Wesgro facilitated an exhibition for the fashion design sector. The Tranoi exhibition in Paris is a fashion trade show

visited by fashion buyers from across the globe. 11 Western Cape companies exhibited at the show.

- Wesgro accompanied the DTI on the Export Awareness Roadshow to Knysna (Eden District) on 15 March 2019 to create awareness of the Export Advancement Programme.

The following successes resulted from the outward missions carried out:

Table 9: Event Highlights		
Event	Country	Successes
Africa Halal Week	Western Cape	R2bn in export declarations over a five year period secured
Gulfood	UAE	R610m secured in export declarations over a five year period
Nigeria OSM	Nigeria	R328m secured in export declarations over a five year period
Seoul Food and Hotel	South Korea	Five companies won awards at a highly publicised wine tasting event

Further to this, the Unit manages the following special projects on behalf of the Department of Economic Development and Tourism (DEDAT):

Halal Export Promotion and Africa Halal Week

The Western Cape Department of Economic Development

and Tourism (DEDAT) has been tasked, under Project Khulisa, to advance and grow the Western Cape's share of the global halal products market for the period 2014-2019. To this end, Wesgro has been mandated by DEDAT to develop and implement the Western Cape Halal Export Promotion Plan (HEP).

The following markets were visited:

Table 10: Halal Outward Missions		
Market	Activity	Number of companies supported ³
Malaysia: 1-6 April	OSM / Trade Exhibition	-
Cameroon: 1-7 April	OSM / Trade Exhibition	5
Singapore: 24-27 April	OSM / Trade Exhibition	5
Senegal: 11-16 June	OSM / Trade Exhibition	5
Nigeria: 23-27 July	OSM / Trade Exhibition	5
United Kingdom (UK): 11-15 August	OSM / Trade Exhibition	5
Thailand: 6-9 September	OSM / Trade Exhibition	5
U.A.E + Saudi Arabia: 18-27 Feb 2019	OSM / Trade Exhibition	5
Cameroon: 17-28 February 2019	OSM / Trade Exhibition	5
Japan: 5-8 March 2019	OSM / Trade Exhibition	5

³ Wesgro received funding from DEDAT to take five Western Cape companies on halal focused outward missions as part of the Halal Promotion Project.

Africa Halal Week:

Objectives:

- Develop a Western Cape trade exhibition for halal certified food and beverage companies to engage with international buyers
 - Showcase the Western Cape as a modest fashion hub with quality fashion products ready for export
 - Promote the Western Cape as a halal-friendly Finance and Investment hub
 - Promote the Western Cape as a halal-friendly film/media destination
 - Promote the Western Cape as a halal-friendly tourism destination
 - Engage multiple stakeholders in the halal industry including the Halal Forum that represents the broader Muslim community in the Western Cape and all five of the Certification Bodies to create alignment and partnerships in driving the Province's halal strategy.
- Post event surveys and follow-up communications with exhibitors and buyers to declare their export deals to Wesgro are underway. Both are being asked to complete the Wesgro Trade Declaration Form.
 - The accessing markets in Africa, the Middle East, Asia and Europe were well attended and gave participants a sound understanding of opportunities and challenges in each market.

Highlights:

1. Africa Halal Week 2018 was a great success overall and there has been positive feedback from exhibitors, buyers, delegates, sponsors, partners and stakeholders.
2. Event Statistics: 66 exhibitors displayed their products in the food, beverage, fashion and services (tourism) sectors, 20 international buyers of halal products attended – part of the 25 international .guests and a total of 777 guests registered for the event.
3. The event generated R3 274 129 in AVE (Advertising Value Equivalent), 14 551 352 in OTS (reach), 322 engagements and 218 re-shares.
4. The Trade Track:
 - The expected Rand value of exports generated as a result of discussions between exhibitors is being collected. During a de-briefing session with some of the hosted buyers, five indicated willingness to secure 40ft containers of consolidated halal certified products at \$300 000.
 - A positive image of the quality of Western Cape halal products was demonstrated through the exhibition.
5. The Modest Fashion Track:
 - It was clear that designers require a structural environment for modest fashion to grow and become economically sustainable.
 - The Council of Modest Fashion (COMF) identified a succession plan that would help see designers develop through three stages. Stage 1: Entrepreneur (business start-ups), Stage 2: Retail and Production (business development and export readiness), and Stage 3: Act as a Fashion Agency (representing designers to global and local trade, retail, media and online markets.)
 - A large majority of designers are in the entrepreneurial stage. It is important that the COMF identify the potential of such designers to gain access to further development, by assessing their short-falls. COMF will utilise these assessments to create the best strategy for implementing growth, development and employment in these small businesses.
 - The programme also identified the need to host regular conferences or information sessions to formalise the structure of the modest fashion industry and for modest fashion designers to have access to information and knowledge.
6. The Islamic Finance and Investment Track:
 - Wesgro Investment Promotion formed a strategic partnership with IConsult Africa.
 - Through this partnership, the inaugural Islamic Finance and Investment Conference had strong, senior speaker participation from the heads/decision makers of most major banks and asset managers who operate in this space. These included FNB, Standard Bank, Absa, Kagiso, and Element Investments.

- The conference created the ideal platform to discuss the manner in which Islamic Finance models can serve as a viable form of funding, bridging Africa's growing infrastructure development gaps.
- International guests included leaders at the forefront of developing halal industries internationally. Some of these guests included:
 - ➔ Dr Ashraf Hashim – CEO of ISRA Consultancy, a firm which produces more than 60% of the world's research on Islamic Finance. Dr Ashraf has also been instrumental in the development of many countries' Islamic finance regulatory frameworks.
 - ➔ Sr. Ruslena Ramli – Head of Islamic Finance at Rating Agency Malaysia. Sr. Ruslina, considered internationally as a thought leader and pioneer in the use of Islamic Bonds (Sukuks) in secular states and how to attract Shari'ah compliant investment inflows.
 - ➔ Sr. Amnah Shaari – CEO at Surenai Commerce, a systems orientated development company that has created the world's first Global Halal Data Pool. An initiative that connects accredited halal suppliers, manufactures and services.

7. The Tourism Track: The tourism panels were well attended, and delivered immediate opportunities that are being followed up on.
- Immediate results from the Tourism unit include: the inclusion of three SMME products in the Cullinan Holdings Group with Tayib Travel – a new division of the business.
 - South African Tourism (SAT) has shown support for Tourism Indaba 2019 to showcase halal tourism products, strategic engagements with the SMME sector of the halal tourism services industry in the Western Cape, as well as platforms for exhibition and participation at regional and city events, to showcase the food aspect to visitors and locals.

Wine Promotion:

A number of activities and missions were carried out in partnership with Wines of South Africa (WOSA), the Department of Agriculture (DoA) and the Department of Economic Development and Tourism (DEDAT). Wine and food pairing dinners were arranged, media influencers were engaged and a number of in-store promotions at various Shoprite locations, in Luanda, were conducted. Overall, the success of the in-store promotions led to increased sales at Shoprite in Angola. The Western Cape was also marketed as a wine tourism destination which will over time lead to more Angolans visiting the Province.

Strategic objectives

Sub-programme 3.1: Trade Promotion

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ⁴	Deviation from planned target	Comments
3.1.1.	Estimated Rand value of business agreements signed	R9,04bn	R2,83bn	R1,1bn-R2bn	R4,975bn	R3,87bn	The business deals were closed sooner than anticipated, which resulted in a significant increase in the number of deals signed. This led to an increase in the estimated economic value thereof.

⁴ The actual achievement reported for the financial year under review, for the estimated rand value of business agreements signed and the number of jobs facilitated are estimated figures extracted from the independent business agreements signed by the companies supported.

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ⁴	Deviation from planned target	Comments
3.1.2.	Number of jobs facilitated from business deals signed	781	679	250-460	921	671	The business deals secured were labour intensive. This, along with the additional business agreements signed, resulted in the over-performance.

Sub-programme 3.2: African Expansion (OFDI)

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ⁵	Deviation from planned target	Comments
3.2.1.	Rand value of committed outward foreign direct investment (OFDI) declarations signed	R507m	R190m	R200m-R500m	R381m	-	

Key performance indicators, planned targets and actual achievements

Sub-programme 3.1: Trade Promotion

No.	Performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
3.1.1	Number of business agreements signed	39	53	25	79	54	The projects were realised sooner than anticipated due to the acceleration of facilitation services.

⁵ The actual achievement reported for the financial year under review, for the rand value of outward foreign direct investment (OFDI) are estimated figures extracted from the independent declarations signed by the companies supported

Sub-programme 3.2: African Expansion (OFDI)

No.	Performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
3.2.1	Number of outward foreign direct investment (OFDI) business agreements signed	3	6	6	9	3	The projects were realised sooner than anticipated due to the acceleration of facilitation services.

Strategy to overcome underperformance

Not applicable

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2018/19			2017/18		
	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	8 028	8 562	-534	9 442	9 709	-267
Total	8 028	8 562	-534	9 442	9 709	-267

Variance due to travel expenditure exchange rate fluctuations



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.

Programme structure

The Wesgro Research Unit is not divided into sub-programmes.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit produced a total of 105 publications for the financial year under review. The table below provides a snapshot of the publications that were produced during the financial year: The following types of publications were produced:

Strategic objectives

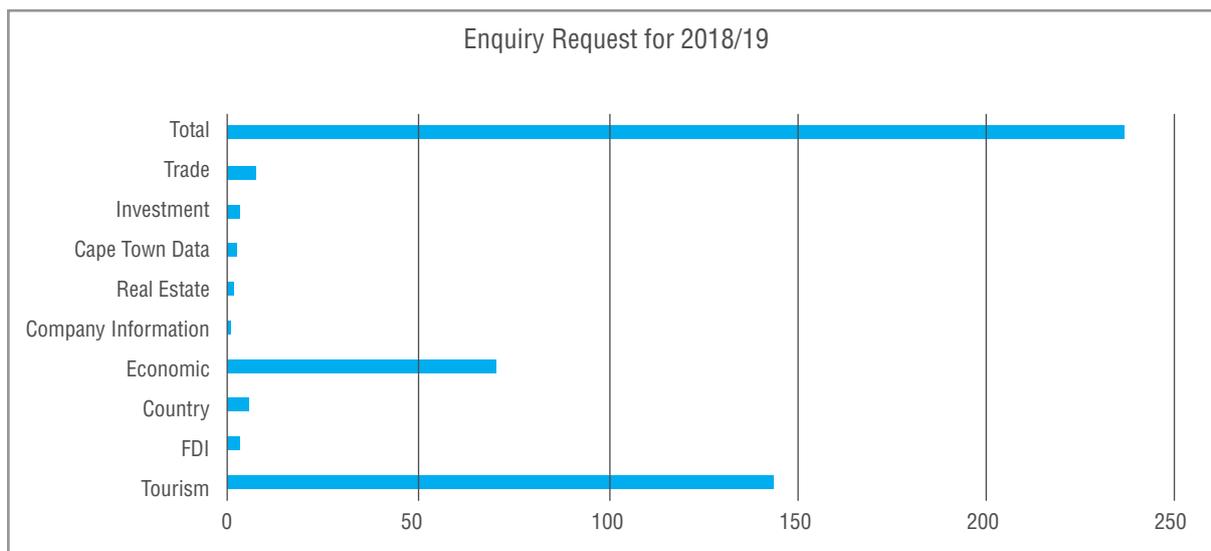
The strategic objectives of the programme are:

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

Table 11: Publication type

District reports	5
Investment reports	2
Tourism	35
Trade	5
Country	21
Investment	12
Sector	14
Opinion piece	5
Municipal	1
Incentives	1
Pitch books	4
Total	105

During the period under review, a total of 237 information requests were completed at an average turnaround time of 1,4 days.



A total of 41 delegations were presented to during the financial year, including inward delegations for trade and investment, and at briefing sessions for exporters, ahead of trade missions. Furthermore, the generic presentation was updated on a quarterly basis, to ensure that the Agency has the latest statistics to inform their own presentations.

Strategic objectives

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
4.1	Turnaround time to provide customised research and information in support of the core functions of the Agency	2,4 days	1,4 days	3 days	1,4 days	1,6 days	Due to increased efforts the Unit was able to decrease the turnaround time for the completion of customised research.

Key performance indicators, planned targets and actual achievements

No.	Performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
4.1.1	Number of relevant tourism, trade and investment publications developed	115	119	100	105	5	Additional publications were required based on the needs of the agency.
4.1.2	Average turnaround time to complete research requests from date of receipt	2,4 days	1,5 days	3 days	1,4 days	1,6 days	Due to increased efforts the Unit was able to decrease the turnaround time for the completion of customised research.

Strategy to overcome under-performance

NA

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2018/19			2017/18		
	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	3 394	2 931	463	3 592	3 506	86
Total	3 394	2 931	463	3 592	3 506	86

3.5. programme 5: marketing and communication

Purpose

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

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.

- Assistance with and/or hosting of and/or the logistical management of strategic corporate and external events with partners
- Marketing campaigns via social media, digital and traditional media channels
- Creation of bespoke content (audio, visual and printed) for Wesgro and the destination to be used in marketing campaigns
- Customer relationship marketing

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.

- Writing and distribution of op-ed pieces
- Writing and distribution of media releases
- Website management
- Hosting of strategic media engagements
- Distribution of research publications via media opportunities
- Monthly tracking of advertising value equivalent (AVE) generated

Strategic objectives

The strategic objectives of the programme are:

- To improve the position of the Agency and the destination with shareholders, citizens, domestic and international business

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

Strategic objectives, performance indicators, planned targets and actual achievements

The year in review was challenging, with numerous shocks to the economic brand of the Western Cape and South Africa. It is in this context that the Marketing and Communications Unit set out to create a positive narrative for tourism, trade, investment and film in the Cape, and to ensure that the local and international business community remained aware of the many exciting opportunities for business in our province.

This was done through a variety of key interventions. The most noteworthy was the execution of the global investor confidence campaign. This digitally-led campaign, which ran in key investment source markets, reached potential investors through advanced targeting. Prospective investors in these countries are directed to a microsite: investwesterncape.com, where more information can be obtained on the investment case of the province and country.

As part of this campaign, high-level engagements with senior business leaders in the province were also organised. This was done on the clear understanding that confidence-building starts at home, and that these leaders are also investment promotion ambassadors for our province and country.

Another key intervention during this time, was the Unit taking the lead in thought-leadership, especially around risks that might impact on confidence in the economy. A number of engagements on key topics were organised to provide the business community with up-to-date information on developments that might impact their operations. For example, updates on the city and province's water strategies were undertaken, as well as briefings on Brexit and its potential impact on Cape exports.

A key focus of the Unit is to disseminate confidence-building communication through our digital channels, and through earned-media (media relations). Through a greater focus on digital media, the use of our channels to amplify events, and our involvement in the global investor confidence campaign, we were able to far exceed our target for AVE during this financial year.

Strategic objectives

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
5.1.1	Rand value of the advertising value equivalent (AVE) generated for the agency	R37,6m	R72,2m	R30m	R157,4m	R127,4m	The marketing initiatives implemented during the quarter generated more AVE than anticipated which resulted in the over-performance

Key performance indicators, planned targets and actual achievements

No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments
5.1.1	Number of strategic media engagements hosted	12	46	8	45	37	Additional opportunities arose which afforded the Agency the opportunity to engage with the media which resulted in the over achievement.
5.1.2	Number of strategic corporate agency events hosted	30	31	8	51	43	Additional opportunities arose which afforded the Agency the opportunity to host additional events which resulted in the over-performance.
5.1.3	Number of relevant industry events sponsored	6	5	5	5	-	

Strategy to overcome under-performance

NA

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2018/19			2017/18		
	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	5 823	6 587	-764	5 643	4 873	770
Total	5 823	6 587	-764	5 643	4 873	770

Over expenditure on the municipal workshop during 2018/19.



3.6. programme 6: destination marketing (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 focusing on business tourism (through its Convention Bureau team), tourism trade, media, influencers and marketing campaigns.

By increasing the visitor numbers of leisure and business tourists to the province, direct, indirect and induced revenue is generated for the Cape.

The DMO's activity thereby contributes to economic growth and job creation.

In growing business tourism, the unit places emphasis on:

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

The leisure tourism team places emphasis on:

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

The DMO must also ensure that focus is given to the priority initiatives as identified by the Western Cape Government's Project Khulisa: tourism strategy.

Programme structure

The programme structure has been aligned to Project Khulisa: Tourism Activity Dashboard as approved by Cabinet and is made up of three sub-programmes. The financial year under review is the second year of Project Khulisa and

the sub-programmes will work off the foundation built in 2016/17.

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

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

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

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

This sub-programme will be 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 Cape through a competitive offering

This sub-programme will be 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 objectives

The strategic objective of the programme is:

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

Strategic objectives, performance indicators, planned targets and actual achievements

During the financial year under review, the Unit supported a total of 34 tourism marketing initiatives, with an estimated economic value of over R1,1bn.

Convention Bureau

Corporate meetings, incentive travel, conferences and exhibitions are business tourism events that fuel the Western

Cape's knowledge economy, and bring thousands of high value delegates to our province. Many business events are in sectors such as information and communication technology, medical sciences and education – sectors that contribute significantly in growing the region's expertise, knowledge and skills and are strongly linked to the work done by the trade and investment promotion teams.

The Convention Bureau team secured 30 new bids for the period under review, with an estimated economic impact exceeding R1 billion, for the first time. Highlight of the bids won this year includes the International Astronomy Union General Assembly, taking place in August 2024, with an estimated delegate attendance of 3 000. The event will take place during the traditional low-season, and it will run for a period of 10 days, which significantly increases the estimated economic impact.

Cape Town was ranked as the top city for international association meetings in Africa, according to the International Congress and Convention Association (ICCA) Statistics Report 2018. A total of 42 association meetings were held in the Mother City, during that period. In addition, Stellenbosch hosted an additional 9 international association meetings during the same period. The Western Cape therefore hosted 51 international association meetings, out of a total of 1 000 meetings that took place in South Africa during this period.

Furthermore, the destination hosted the Young Presidents' Organisation (YPO) Global Leadership and Edge Conference, in March 2019 with an estimated 2,500 delegates. These high-level CEOs from over 130 countries are also investors, and therefore the conference was extremely important for the business brand of the destination.

Leisure tourism

Despite a challenging year, due to the impact of various negative factors which included, amongst others, the drought messaging, the Leisure Unit had a very successful year, utilising the opportunities available to increase engagements

and collaborations with partners and stakeholders.

One of the main highlights for the period under review, was the launch of the "Nowhere Does it Better" Global Campaign in November 2018. Government in partnership with the private sector combined resources to address negative messaging, targeting our main source markets namely, the UK, Germany and USA, to ensure that the province remains the travel destination of choice.

Furthermore, additional campaigns were executed, to enhance the positive messaging, such as the, "It's all still here" surfing digital campaign – a collaboration between Wesgro and some of South Africa's top surfers on the local and international front, addressing the water messaging.

The Unit successfully launched and continues to promote three additional cycling routes, namely; Cape Town 364, Cederberg Circuit and the Overberg Meander. The unveiling of the Madiba Statue, at the Cape Town City Hall, as part of the Madiba Centenary Year, was also extremely successful and attracted a significant amount of international media coverage.

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. During the financial year under review the Agency supported 50 events, of which 43 events took place within regions outside the City, drawing over two hundred thousand visitors to the regions. The increase in visitors to the region, generated an estimated economic impact of over R215m, resulting in the creation of over five thousand temporary jobs. The table provides a breakdown of the events hosted;

Table 12. Regional events supported 2018/19

No	Event	Date	Region
1	Laingsburg Karoo Festival	6 – 7 April 2018	Cape Karoo
2	Jakhals Karoo Battle of the Bikes	7 April 2018	Cape Karoo
3	South Africa Cheese Festival	27 -29 April 2018	Cape Winelands
4	Walk Bay Extreme	28 - 29 April 2018	Cape Overberg
5	Elgin Cool Wine & Country Food Festival	28 – 29 April 2018	Cape Overberg
6	Jaguar Simola Hillclimb	3 - 6 May 2018	Garden Route & Klein Karoo
7	Gravel & Grape MTB	4 - 6 May 2018	Cape Winelands
8	Paarl 8Hour Challenge	5 – 6 May 2018	Cape Winelands
9	Redstone Hill MTB	11 – 12 May 2018	Garden Route & Klein Karoo
10	Expedition Africa	18 – 25 May 2018	Cape West Coast
11	Nuy Valley Festival	19 May 2018	Cape Winelands
12	Meiringspoort Challenge	26 May 2018	Cape Karoo
13	Darling Brew Extreme	26 May 2018	Cape West Coast
14	Hermanus FynArts	8 – 17 June 2018	Cape Overberg
15	Taste the Helderberg	8 June 2018	Cape Winelands
16	Calitzdorp Winter Festival	15 -17 June 2018	Garden Route & Klein Karoo
17	Plett Fringe Festival	27 – 30 June 2018	Garden Route & Klein Karoo
18	Knysna Oyster Festival	29 June – 8 July 2018	Garden Route & Klein Karoo
19	Nelson Mandela Centenary Walk	11 – 14 July 2018	Cape Winelands
20	Bergriver Canoe Marathon	11 – 14 July 2018	Cape Winelands/West Coast
21	Around the Pot Overberg 100 Miler	21 July 2018	Cape Overberg
22	Montagu Book Festival	26 – 29 July 2018	Cape Winelands
23	ATKV Rieldance Festival	28 July 2018	Cape West Coast
24	Wolseley MTB	11 August 2018	Cape Winelands
25	The Chocolate Festival	18 – 19 August 2018	Cape Winelands
26	Montagu Youth Arts Festival	15 – 25 August 2018	Cape Winelands
27	Poetry in McGregor Festival	24 – 26 August 2018	Cape Winelands
28	Jakhals MTB & Trail Run	31 August – 1 September 2018	Garden Route & Klein Karoo
29	Voorkamerfest	31 August – 2 September 2018	Cape West Coast
30	Ride2Nowhere MTB	7 – 9 September 2018	Cape Winelands
31	Cape Ultra Triathlon	9 September 2018	Cape Overberg
32	Baleia Wines & MTB Challenge	9 September 2018	Garden Route & Klein Karoo
33	Piket Bo-Berg Cycle Challenge	8 September 2018	Cape West Coast
34	Darling Wildflower Show	14 – 16 September 2018	Cape West Coast
35	Thousand Sensations Craft Liquor & Food Festival	21 – 22 September 2018	Garden Route & Klein Karoo
36	San Heritage Celebrations	22 – 24 September 2018	Cape West Coast
37	Sanlam Cape Town Marathon	23 September 2018	Cape Town
38	George Strawberry Festival	29 – 30 September 2018	Garden Route & Klein Karoo
39	The Rainmaker RollerCoaster	6 – 12 October 2018	Garden Route & Klein Karoo
40	Voet van Afrika Marathon	13 October 2018	Cape Overberg
41	Fisherman's Friend Strongman SA	13 October 2018	Cape Winelands
42	Otter Trail Run	20 October 2018	Garden Route & Klein Karoo
43	Race2Stanford Triathlon	10 November 2018	Cape Overberg
44	Cape to St Helena Yatch Race	26 December 2018	Cape Town

Table 12. Regional events supported 2018/19

No	Event	Date	Region
Signature events			
45	Cape Rouleur	3 – 7 March 2019	Cape Winelands
46	Cape Town Cycle Tour	10 March 2019	Cape Town
47	Cape Town Carnival	16 March 2019	Cape Town
48	Absa Cape Epic	17 – 24 March 2019	Cape Winelands/Overberg
49	Cape Town International Jazz Festival	29 – 30 March 2019	Cape Town
50	Old Mutual Two Oceans Marathon	19 – 20 April 2019	Cape Town

The Unit exceeded all their targets and have proven to be a relevant and leading destination marketing organisation, with accolades that include, the Best Responsible Stand

Award at WTM Africa 2018 and Platinum Winner for Best Tourism Authority at the Tourism Indaba 2018.

Strategic objectives

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19 ⁶	Deviation from planned target	Comments
6.1.	Total estimated economic value of tourism destination marketing initiatives supported	R428,3m	R454,4m	R171,6m	R1,15bn	R978,4m	Additional opportunities arose for the Agency to support an increased number of initiatives. The additional number of initiatives supported resulted in an increase in the economic value thereof.

Key performance indicators, planned targets and actual achievements

No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ⁷	Deviation from planned target	Comments
6.1.1.	Number of tourism destination marketing initiatives supported	15	32	13	34	21	Opportunities arose for the Agency to support the additional tourism initiatives which resulted in the over-performance

⁶ The actual achievement reported for the financial year under review, for the total estimated economic value of tourism marketing initiatives supported, are estimated figures extracted from the joint marketing and event marketing agreements signed by the organisations supported, and the value of bids awarded to the Agency (the economic value of the bids are calculated based on formula provided by South African Tourism (SAT))

⁷ The actual achievement reported for the financial year under review, for indicators 6.1.4 and 6.1.6, are estimated figures taken from the economic impact of bids secured report (the formula to calculate the economic impact is provided by South African Tourism) and the database for AVE generated (information provided by Ornico and Brandseyes).

No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned Target 2018/19	Actual achievement 2018/19 ⁷	Deviation from planned target	Comments
6.1.2.	Number of joint marketing agreements secured	15	15	17	19	2	Additional opportunities arose during the year which afforded the Agency the opportunity to engage in strategic partnerships and leverage off them which resulted in the over-performance
6.1.3.	Number of bids secured	33	33	24	30	6	The early announcement of the outcome of the bids has resulted in the over-performance.
6.1.4	Economic impact of bids secured	R425,3m	R453,3m	R260m	R1,19bn	R930m	The inclusion of incentive bids in the calculation of conference bids secured and the early announcement of the outcome of bids has resulted in additional bids being secured which increased the economic impact and led to the over-performance.
6.1.5	Number of leisure events supported	55	51	35	50	15	A significant increase in the amount of event applications was received which resulted in the over-performance.
6.1.6	Rand value of AVE generated	R30,3m	R29,08m	R20m	R85,66m	R65,69m	The tourism initiatives implemented throughout the year generated more AVE than anticipated which resulted in the over performance.

Strategy to overcome under-performance

NA

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2018/19			2017/18		
	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Tourism promotion	17 781	17 857	-76	16 836	16 960	-124
Total	17 781	17 857	-76	16 836	16 960	-124

Contributions towards WTM Africa and other international platforms including membership to Best City Alliance influenced by the exchange rate fluctuations.



3.7. programme 7: film and media promotion

Purpose

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

Programme structure

The programme is not divided into sub-programmes.

Strategic objectives

The strategic objective for the programme is:

- To firmly establish a globally competitive film sector by 2020.

Strategic objectives, performance indicators, planned targets and actual achievements

During the period under review the Unit received a total of five media and film production declarations into the province to the value of R2,38bn resulting in the facilitation of 2 265 Full Time Equivalent (FTE) jobs. The table below provides a breakdown of the declarations

Company	Source country	Value of investment	Jobs (FTE)
Film Afrika	4 productions from USA and UK	R700 000 000	750 FTE jobs
Interactive Entertainment SA	60 Game productions	R100 000 000	191 FTE jobs
Moonlighting	10 productions from USA, UK, Germany	R1 060 000 000	1,128 FTE jobs
Sea Monster	20 productions from South Africa 80%, Netherlands 20%	R18 000 000	32 FTE jobs
South Africa Association of Stills Producers (SAASP) –	508 productions from: Australia, Belgium, Brazil, Canada, Denmark, France, Germany, India, Italy, Netherlands, Norway, Poland, Spain, Sweden, UK, and USA.	R508 000 000	164 FTE jobs
Total		R2 386 000 000	2 265 FTE jobs

The Unit also took part in four outbound international missions (to three of the nine co-production treaty countries; plus the USA).

These missions were to: Animation Market (MIFA) in Annecy, France (June 2018), Toronto International Film Festival (TIFF) Toronto, Canada (September 2018), European Film Market/Africa Hub at the Berlinale Film Festival, Berlin, Germany (February 2019) and South by South West – SXSW, Austin, USA (March 2019). Film and media promotion marketing collateral was sent on the trade, investment and tourism outbound missions, and to various other collaborations with trade associations.

The Unit, in partnership with industry, and partnerships around the inbound missions, gave Exporter Advancement 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 occur aligning with industry festivals: Encounters Documentary Film Festival (June 2018), Wavescape Conservation and Adventure Film Festival (November, December 2018), Cape Town International Animation Festival (March 2019), the Cape Town International Film Mart and Festival (CTFM&F), and the inaugural Africa Games Week (December 2018).

JMA/SLAs and cash support were signed with just three festivals due to timing and budget, however the Unit did do other support for Africa Games Week, including Wesgro's Convention Bureau helping with National Subvention Funding.

Other ad hoc festivals' industry programmes were facilitated, such as at the Belgium Film Festival and the French Film Festival. The Unit encouraged the Italian Film Festival this year to rather align with CTFM&F.

Wesgro coordinated the film section of the Africa Halal Week (AHW) and achieved some overlap, with the guests from Egypt, the Kingdom of Saudi Arabia and Tunisia attending and taking part in the CTFM&F. Other EAPs were done for companies going on DTI supported EMIA/SSAS festival marketing trips: to Canada, Germany, France, UK, and the USA and others aligned with the various sector bodies including NFVF DTI, and trade bodies: Writers Guild of South Africa (WGSA), Make Games/Interactive Entertainment SA (IESA), the Documentary Filmmakers Association (DFA), and others.

A total of 11 inbound missions were facilitated with participant nationalities from 28 countries: Belgium, Botswana, Brazil, Canada, China, Denmark, Egypt, France, Germany, Ghana, Italy, Japan, Kenya, Kingdom of Saudi Arabia, Madagascar,

Mauritius, Netherlands, Nigeria, Norway, USA, UK, Singapore, Switzerland, Tanzania, Tunisia, Russia, Uganda and Zambia. It should be noted that some of these inbound visits were groups of combined companies. Some inbound missions, such as the missions from Canada, and Italy, were large groups. Some missions were a collaboration around industry events for the festivals mentioned above.

A total of 75 Western Cape companies were assisted on outward missions to six countries: American Film Market (Los Angeles USA), MIFA in Annecy (France), Sheffield Film Festival (UK) Toronto International Film Festival – (Canada), and SXSW (Austin Texas USA).

Locally, the Unit attended the festival and market in Durban and the DISCOP market in Johannesburg, as well as attending four quarterly South African Audio Visual Forum (SAAFV) meetings – a national steering group made up of the DTI, IDC, ICASA, SABC, and GFC, KZNFC, Wesgro as well as various metropolises and economic development agencies.

The team also hosted the SAAFV Animation breakaway session during the Cape Town International Animation Festival. Wesgro also works with stakeholders at regional and national levels, including the Departments of Home Affairs and International Relations. This is done to drive ease of doing business across all our legislative and policy frameworks that impact the industry, including intellectual property, incentives, visas and the on-going issues with

San Parks. The team also attended the first Inaugural Film Summit, produced by the Department of Arts and Culture, as well as one planning meeting (as part of DISCOP/SAAFV meeting).

This year also saw the ongoing updating of the Creative Locations book – e-version and the fourth edition was also published in hard copy. A joint event with partners such as the City of Cape Town, Wesgro, South African Association of Stills Producers and Commercial Producers Association was also organised.

Other activities included working on the Saldanha Bay Municipality MOU and the Drakenstein Municipality MOU as well as developing other partnerships in the regions. The Unit accompanies the Wesgro tourism team to RTO meetings, where possible, and also presents at the various stakeholder engagements on how to become more film friendly, how to become more of an attractive film location and how to become a region with a unique selling point to promote. The team also works with Wesgro on a coordinated halal approach, Air Access and other linked opportunities as they arise.

Furthermore, the October 2018 launch of the F/LM CAPE TOWN website came out of the ongoing interrogation of the joint City of Cape Town – Wesgro research process which followed the 2-day Locations Indaba signing of the Five Point Pledge.

Strategic objectives

No.	Strategic objective performance indicators	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19 ^a	Deviation from planned target	Comments
7.1	Rand value of media and film productions brought into the province	R1,56bn	R1,92bn	R1,5bn- R2,5bn	R2,38bn	-	
7.2	Number of jobs facilitated through the productions brought into the province	3 270 FTE jobs	2 449 FTE jobs	2 500-3 500 FTE jobs	2 265 FTE jobs	-235 FTE jobs	The inability to finalise the outstanding declarations within the anticipated timeframe had negatively impacted the number of jobs facilitated, which resulted in the underperformance. In addition, the productions landed were not labour intensive.

^a The actual achievement reported for the financial year under review, rand value media and film productions and the number of jobs facilitated are estimated figures extracted from the independent declarations signed by the companies supported.

Key performance indicators, planned targets and actual achievements

Film and Media Promotion							
No.	Performance indicator	Actual achievement 2016/17	Actual achievement 2017/18	Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target	Comments on deviation
7.1	Number of film and media productions brought into the province	5	9	7	5	-2	The outstanding declarations were not finalised within the anticipated timeframe due to the further engagement required, timing issues and some productions still being in the development phase.

Strategy to overcome areas of under-performance

NA

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2018/19			2017/18		
	Budget	Actual expenditure	(Over)/Under expenditure	Budget	Actual expenditure	(Over)/Under expenditure
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Film and Media Promotion	2 500	2 097	403	2 409	2 258	151
Total	2 500	2 097	403	2 409	2 258	151

The Film and Media Promotion project is ongoing, the savings will be rolled over to the ensuing financial year.

4. revenue collection

Sources of revenue	2018/19			2017/18		
	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)	R59 226	R59 226	R0	R59 525	R59 525	R0
City of Cape Town	R9 364	R9 364	R0	R10 044	R9 987	R57
Project Funding	R34 373	R58 231	(R23 858)	R29 547	R29 547	R0
Interest	R2 931	R1 762	R 1 169	R745	R1 522	(R777)
Other Income	R1 004	R889	R115	R100	R1 520	(R1 420)
Total	R 106 898	R 129 472	(R 22 574)	R99 961	R102 101	(R2 140)

The Agency received funding from the DEDAT and the City of Cape Town (CoCT). For the period under review, a total of R26,7m was received from DEDAT to fund investment and trade promotion activities, and a total of R8,864m from the CoCT. The CoCT ring-fenced a total of R4,4m for special projects, which included Air Access (R800 000), Film (R2m), One Stop Shop (R100 000), Business Tourism (R 500 000) and Invest Cape Town (R1 000 000).

A total of R41,67m was received from DEDAT for Destination Marketing and Project Khulisa. The allocation was broken down as follows: staff and operational costs (R17,78m), Khulisa programme expenditure (R14,745m) and other projects (R9,15m). Project income from other

projects included Agribusiness (R2m) and Visit Knysna Office (R4m). Other income was received from interest generated from the Agency's investment in the Corporation of deposits. A total of R1,76m was received in interest. The budgeted amount differs from the amount collected due to higher interest rates received on larger projects.

Other income (R889) was received from management fees for the management of special projects within the Agency, sundry income from the sale of disposed assets, and for the rental of the stand space to other regional and local tourism trade bodies at the Indaba. However, the management fee income on the sale of assets and rental of stand space did not form part of the budgeted income.

4.1. capital investment

Not applicable



Clifton Beach, Cape Town



Landscape in George, Western Cape







part c



governance

part c: governance

1. introduction

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

The Western Cape Investment and Trade Promotion Agency (Wesgro) was established by The Western Cape Investment and Trade Promotion Agency Act, 1996 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 took over the destination marketing function from Cape Town Routes

Unlimited (CTRU). The Western Cape Tourism Act, 2004 (Act 1 of 2004) was repealed in August 2013 at the same time the Wesgro Act was amended.

The Directors of Wesgro support the principles of the King 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. Wesgro has also undertaken a King IV self-assessment to identify areas where it realistically can effect compliance over a period.

2. executive authority

The APP 2018/19 was submitted to the Minister of Economic Opportunities in February 2018; however, no issues were 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 category B municipalities and the other representing category C municipalities) and three ex-officio

members (of which one senior official is nominated by the Minister and one senior official each 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. In terms of the Wesgro Act, the Board appoints a Chairperson from among the non-executive directors.

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	-	Business	-	4	-	-	8
Mr Michael Spicer	Deputy Chairperson	08/2014	-	Business	-	4	-	-	8
Mr Ashraf Ameen	Director	08/2014	02/2019	Marketing	-	2	-	-	-
Mr Ian Bartes	Director	08/2014	-	Business and Marketing	Chairperson of the Audit, IT and Risk Committee	4	-	4	6

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
Ms Andrea Böhmert	Director	08/2014	-	Business	Member of the Audit, IT and Risk Committee	3	3		1
Mr Paul Bannister	Director	08/2014	-	Marketing and Media	Member of the Human Resource and Remuneration Committee	4	-	-	1
Mr David Green	Director	11/2015	-	Business	-	3		4	2
Ald. Marius Koen	Director	02/ 2017	-	Public Sector and Economic Development	-	2	-	-	2
Ald. (Dr) Helena von Schlicht	Director	02/2017	-	Public Sector, Economic Development and Real Estate	Member of the Human Resource and Remuneration Committee	3	2	-	-
Mr John van Rooyen	Director	02/2017	-	Tourism, Hospitality and Business	Member of the Audit, IT and Risk Committee	4		1	1
Ms Palesa Morudu	Director	11/2017	-	Business, Media, Publishing, and Journalism	Member of the Audit, IT and Risk Committee	2	-	2	1
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	-	-	2	-

Other:

Wesgro Board Strategy Session

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

Board Chairperson and Deputy Chairperson meeting with MEC Schafer

Review of SEDIC

Board Chairperson and Deputy Chairperson meeting with the Cape Chamber

Meeting at I and J

Board Sub-committee meeting: Tourism

SCOPA

DMO discussion

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	2
Mr Lance Greyling	Ex-Officio (City of Cape Town)	03/2015	-	Chairperson of the Human Resource and Remuneration Committee	4
				Board meetings	4
				Other	5
Mr Tim Harris	Ex-Officio (Wesgro CEO)	06/2014	-	Member of the Audit, IT and Risk Committee	3
				Member of the Human Resource and Remuneration Committee	4
				Board meetings	4
				Other	8

Other:

Wesgro Board Strategy Session

Board Chairperson and Deputy Chairperson meeting with MEC Schafer

Board Chairperson and Deputy Chairperson meeting with the Cape Chamber

Board Sub-committee meeting: Tourism

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

Review of SEDIC

Meeting with I and J

SCOPA

DMO discussion

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	4	3	Mr Lance Greyling
			Ms Andrea Boehmert
			Ald. (Dr) Helena von Schlicht

Remuneration of board members

Name	Remuneration (R)	Other allowance	Other re-imbursments	Total (R)
Prof. Brian Figaji	62 760	-	-	62 760
Mr Michael Spicer	53 340	-	-	53 340
Mr Ashraf Ameen	7 979	-	-	7 979
Mr Ian Bartes	63 826	-	-	63 826
Ms Andrea Böhmert	27 216	-	-	27 216
Mr Paul Bannister	19 440	-	-	19 440
Mr David Green	31 104	-	-	31 104
Cllr Marius Koen	4 634	-	-	4 634
Ms Palesa Morudu	19 440	-	-	19 440
Ald. (Dr) Helena von Schlicht	3 685	-	-	3 685
Mr John van Rooyen	23 328	-	-	23 328
Independent Committee Members				
Mr Paul Slack	15 552	-	-	15 552
Mr Danny Naidoo	8 658	-	-	8 658

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 into 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 is integrated into the day-to-day business activities of the Agency. Risk

management is addressed through risk categories that include finance, human resources, trade, investment, information and strategic risks. 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 in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can only provide reasonable assurance with respect to financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control system can change with circumstances. The Agency assessed its internal control systems in operation for the current financial year and we are satisfied with the assurance provided.

6. internal audit and audit committees

The Audit, 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, 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 3(c) public entity, the Agency complies with Public Finance Management Acts, (Act 1 of 1999) as amended. Wesgro also complies with the requirements 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 to 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 and corruption cases were reported during the financial year under review.

9. minimising conflict of interest

The Agency conducts monthly compliance reviews for all employees and members of the Board. Monthly compliance reports are submitted to Provincial Treasury for review. In addition, all employees and Board members are obliged to complete a declaration of interest on an annual basis.

Furthermore, all suppliers 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. company / 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 the function

- The Secretariat is responsible for ensuring that the applicable rules and regulations pertaining to the conduct of the affairs of the Board are complied with and that all matters associated with its efficient operation are maintained
- In addition to the statutory duties of the Secretariat, it must provide the Board as a whole with detailed guidance as to how their

responsibilities should be properly discharged in the best interests of the agency

- The Secretariat must keep abreast of, and inform the Board of current governance thinking and practice
- The Secretariat is responsible for co-ordinating performance evaluation of the Board of Directors.

12. audit committee report

We are pleased to present our report for the financial year ended 31 March 2019.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The Effectiveness of Internal Control

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

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

- Financial discipline review
- Review of predetermined objectives
- Review of human resources



Ian Bartes
Chairperson of the Audit Committee
Wesgro
31 July 2019

- Review of supply chain management
- Follow up on previous queries and findings.

All matters raised were resolved.

In-Year Management and Monthly/Quarterly Report

The public entity has submitted monthly and quarterly reports to Provincial Treasury, the Department of Economic Development and Tourism, and the City of Cape Town.

Evaluation of Financial Statements

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

Auditor's Report

We have reviewed the public entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

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

13. standing committee resolutions

The Agency appeared before the Standing Committee on Public Accounts (SCOPA), to present the Annual Report 2017/18. No resolutions emanated from the session.

14. B-BBEE compliance performance information

The Agency did not complete the B-BBEE verification process for 2018/19, resulting from insufficient knowledge of the legislative requirement; however it is currently in the process of finalising the B-BBEE verification process for 2019/20. The certificate will be submitted by 30 September 2019, as legislatively required.

Vineyards, Tulbagh, Western Cape





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 delivery.

2. human resource oversight statistics

Personnel Cost by programme

Programme	Personnel Expenditure (R) ⁹	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee (R)
Corporate Services	7,829,801	18%	23	340,426
Investment Promotion	3,044,599	7%	6	507,433
Marketing and Communication	3,443,174	8%	8	430,397
Film	393,489	1%	2	196,744
Trade Promotion	8,027,532	18%	9	891,948
Research	3,516,603	8%	10	351,660
Leisure Marketing	2,324,465	5%	6	387,411
Conventions Bureau	4,494,758	10%	8	561,845
Executive Management Unit	3,890,240	9%	4	972,560
Strategic Projects	7,579,101	17%	21	360,910
Total	44,543,763	100%	97	459,214

⁹ Personnel expenditure does not include the provision for leave and board remuneration. Includes terminations from 2019 who qualified for a performance bonus.

Personnel cost by salary band

Level	Personnel Expenditure (R) ¹⁰	% of personnel exp. to total personnel cost (R)	No. of employees	Average personnel cost per employee (R)
Top Management - Executive Management	7,975,076	18%	6	1,329,179
Senior Management	7,467,328	17%	10	746,733
Professional qualified - Middle Management	15,726,790	35%	25	629,072
Skilled - Assistant Management	7,181,581	16%	21	341,980
Semi-skilled - Administrators	5,789,820	13%	29	199,649
Unskilled - Interns	403,169	1%	6	67,195
Total	44,543,763	100%	97	459,214

Performance Rewards

Level	Performance rewards ¹¹	% of performance rewards to total personnel cost
Top Management	487315	6%
Senior Management	508217	7%
Professional qualified	565365	4%
Skilled	441296	6%
Semi-skilled	413273	7%
Unskilled	0	0%
TOTAL	2415469	5%

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)
Corporate Services	7,829,801	167,420	2	12	13,952
Investment Promotion	3,044,599	127,781	4	6	21,297
Marketing and Communication	3,443,174	14,831	0	2	7,416
Film	393,489	4,929	1	1	4,929
Trade Promotion	8,027,532	111,456	1	3	37,152
Research	3,516,603	7,458	0	1	7,458
Leisure Marketing	2,324,465	29,500	1	3	9,833
Conventions Bureau	4,494,758	5,900	0	1	5,900

¹⁰ Personnel expenditure does not include the provision for leave and board remuneration. Includes terminations from 2019 who qualified for a performance bonus.

¹¹ Performance rewards does not include the provision for performance. Includes terminations from 2019 who qualified for a performance bonus.

Programme	Personnel Expenditure (R)	Training Expenditure (R)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee (R)
Executive Management Unit	3,890,240	167,196	4	2	83,598
Strategic Projects	7,579,101	6,967	0	2	3,484
Total¹²	44,543,763	643,439	0.01	33	19,498

Employment and vacancies

Programme	Approved posts 2017/18	No. of Employees 2017/18	Approved posts 2018/19	No. of Employees 2018/19	Vacancies 2018/19	% of vacancies
Corporate Services	22	20	24	24	0	0%
Investment Promotion	14	12	13	12	1	8%
Marketing and Communication	9	8	9	8	1	11%
Film and Media Promotion	2	2	2	2	0	0%
Trade Promotion	10	10	10	8	2	20%
Executive Management Unit	4	4	4	4	0	0%
Research	8	8	9	9	0	0%
Leisure Marketing	6	5	6	6	0	0%
Conventions Bureau	8	8	8	8	0	0%
Strategic Projects	12	10	19	16	3	16%
Total	95	87	104	97	7	7%

Programme	Approved posts 2017/18	No. of Employees 2017/18	Approved posts 2018/19	No. of Employees 2018/19	Vacancies 2018/19	% of vacancies
Top Management	4	4	6	6	0	0%
Senior Management	9	9	7	7	0	0%
Professional qualified	22	21	26	24	2	8%
Skilled	20	17	18	17	1	6%
Semi-skilled	23	21	23	22	1	4%
Unskilled	5	5	5	5	0	0%
Strategic Projects	12	10	19	16	3	16%
Total	95	87	104	97	7	7%

¹² The Agency spent 1% of the total personnel expenditure on training.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	6	0	0	6
Senior Management	7	0	0	7
Professional qualified	21	4	1	24
Skilled	17	2	2	17
Semi-skilled	21	2	1	22
Unskilled	5	0	0	5
Special Projects	10	11	5	16
Total	87	19	9	97

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	7	78%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	2	22%
Other	0	0
Total	9	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

The Agency strives to meet the provincial employment equity and gender targets. As per the Employment Equity Plan, the recruitment targets are focused on the previously disadvantaged individuals. The tables below, provides a breakdown of the recruitment and equity status as at 31 March 2019.

Levels	Employment Equity as at 31 March 2019							
	African		Coloured		Indian		White	
	Female	Male	Female	Male	Female	Male	Female	Male
Top Management	1	1	0	0	0	0	1	3
Senior Management	0	1	0	2	0	1	4	1
Professional qualified	2	3	3	2	4	2	7	4
Skilled	4	1	6	5	3	0	2	0
Semi-skilled	13	3	8	5	0	0	0	0
Unskilled	2	2	1	0	0	0	0	0
Total	22	11	18	14	7	3	14	8

Levels	FEMALE							
	African		Coloured		Indian		White	
	Target	Current	Target	Current	Target	Current	Target	Current
Top Management	1	1	1	0	0	0	1	1
Senior Management	0	0	1	0	0	0	4	4
Professional qualified	2	2	3	3	4	4	7	7
Skilled	4	4	6	6	3	3	2	2
Semi-skilled	13	13	8	8	0	0	0	0
Unskilled	2	2	1	1	0	0	0	0
Total	22	22	20	18	7	7	14	14

Levels	MALE							
	African		Coloured		Indian		White	
	Target	Current	Target	Current	Target	Current	Target	Current
Top Management	1	1	1	0	0	0	3	3
Senior Management	1	1	2	2	1	1	1	1
Professional qualified	3	3	3	2	2	2	4	4
Skilled	1	1	6	5	0	0	0	0
Semi-skilled	3	3	6	5	0	0	0	0
Unskilled	2	2	0	0	0	0	0	0
Total	11	11	18	14	3	3	8	8

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

Fishing boats in Doringbaai, West Coast in the Western Cape







part e



financial information

general information

financial statements

for the year ended 31 March 2019

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 Ashraf Ameen (Resigned 28/02/2019) Ald Marius Koen Ald Helena van Schlicht John van Rooyen Palesa Morudu
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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Cash Flow Statement	101
Statement of Comparison of Budget and Actual Amounts	102
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The following supplementary information does not form part of the financial statements and is unaudited:	
Annexure A – Deferred Income	132 – 133

Board's Responsibilities and Approval

for the year ended 31 March 2019

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 board has reviewed the entity's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, it is satisfied that the entity has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

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 33.

The financial statements as set out on pages 98 to 131 for the year ended 31 March 2019, were approved by the Board of Directors in terms of section 51 (1) (f) of the PFMA and signed on its behalf by:



Prof. Brian Figaji
Chairperson
Board of Directors



Tim Harris
Chief Executive Officer
Wesgro

Report of the auditor-general to the 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 98 to 131, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, the statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes 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 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA).

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 International Ethics Standards Board for Accountants' Code of ethics for professional accountants, parts 1 and 3 of the International Ethics Standards Board of Accountants' International code of ethics for professional accounts (including International Independence Standards) (IESBA codes) and 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 R1,647 million (2018: R2,535 million) was realised during the year on the entity's investment through its shares held in the Cape Town Film Studios (Pty) Ltd, bringing the value of the investment to R24,786 million (2018: R23,139 million) as at 31 March 2019.

Deferred income

8. As disclosed in note 12 to the financial statements, the deferred income as at 31 March 2019 was R41,767 million (2018: R37,986 million), representing the balance of the funding of the various sponsored projects as administered by the entity.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information as indicated in Annexure A to the financial statements, 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 on it.

Responsibilities of the accounting authority for the financial statements

11. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA 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.
12. In preparing the financial statements, the accounting authority is responsible for assessing the Western Cape Tourism, Trade and Investment Promotion Agency'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

13. 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.
14. 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

15. 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 material findings on the reported performance information against predetermined objectives for the selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address 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 also did 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.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – investment promotion	38 to 40
Programme 3 – trade promotion	48 to 50
Programme 6 – destination marketing	60 to 61
Programme 7 – film and media promotion	64 to 65

18. 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes

- Programme 2 - investment promotion
- Programme 3 - trade promotion
- Programme 6 - destination marketing
- Programme 7 - film and media promotion

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 38 to 40, 48 to 50, 60 to 61 and 64 to 65 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a significant number of targets.

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3: trade promotion and 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

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

Other information

25. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
26. 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.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. 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.
29. I have nothing to report in this regard.

Internal control deficiencies

30. 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. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town

31 July 2019



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the 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 accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Western Cape Tourism, Trade and Investment Promotion Agency’s ability 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 the 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 an entity to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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, related safeguards.



statement of financial position

as at 31 March 2019

	Note(s)	2019 R'000	2018 R'000
Assets			
Current Assets			
Trade and other receivables	2	6 442	1 215
Receivables from non-exchange transactions	3	10 784	1 750
Prepayments	4	1 235	163
Cash and cash equivalents	5	46 438	57 867
		64 899	60 995
Non-Current Assets			
Plant and equipment	6	5 955	6 988
Intangible assets	7	141	105
Investments	8	24 786	23 139
		30 882	30 232
Total Assets		95 781	91 227
Liabilities			
Current Liabilities			
Employee benefits	9	5 265	3 895
Trade and other payables	10	5 688	3 659
Operating lease liability	11	306	715
Deferred income	12	41 767	37 986
		53 026	46 255
Non-Current Liabilities			
Operating lease liability	11	-	75
Total Liabilities		53 026	46 330
Net Assets		42 755	44 897
Accumulated surplus		42 755	44 897

statement of financial performance

for the year ended 31 March 2019

		2019	2018
	Note(s)	R'000	R'000
Revenue			
Revenue			
Revenue from exchange transactions			
Interest received	13	1 762	1 522
Other revenue	14	808	1 520
Bad debt recovered	2 / 3	81	-
Gain on disposal of assets	22	120	27
Fair value adjustments	23	1 647	2 535
Total revenue from exchange transactions		4 418	5 604
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	15	126 821	99 059
Total revenue		131 239	104 663
Expenditure			
Employee related costs	16	46 183	38 204
Depreciation and amortisation	6 / 7	2 140	1 612
Finance costs		7	-
Bad debt	2 / 3	33	181
Loss on foreign exchange		-	2
Other operating expenses	17	29 970	29 725
Marketing cost	18	14 948	13 681
Audit fees	19	1 995	2 020
Workshops, seminars and events	20	34 456	12 440
Administrative expenses	21	3 640	3 372
Total expenditure		133 372	101 237
(Deficit) surplus for the year		(2 133)	3 426

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 2019

	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2017	41 471	41 471
Changes in net assets		
Surplus for the year	3 426	3 426
Total changes	3 426	3 426
Balance at 01 April 2018	44 897	44 897
Changes in net assets		
Deficit for the year	(2 133)	(2 133)
Adjustment	(9)	(9)
Total changes	(2 142)	(2 142)
Balance at 31 March 2019	42 755	42 755

The accumulated surplus includes R 1 647 079 fair value adjustment on the put option held over the Cape Town Film Studio shares valued at R 24 786 146.

cash flow statement

for the year ended 31 March 2019

	Note(s)	2019 R'000	2018 R'000
Cash flows from operating activities			
Receipts			
Cash receipts from funders		117 950	107 991
Payments			
Cash paid to suppliers and employees		(128 316)	(97 703)
Net cash flows from operating activities	24	(10 366)	10 288
Cash flows from investing activities			
Purchase of plant and equipment	6	(1 045)	(6 195)
Proceeds from sale of plant and equipment	6	200	297
Purchase of other intangible assets	7	(80)	(29)
Proceeds from sale of other intangible assets	7	-	57
Adjustments plant and equipment		(138)	(161)
Adjustments intangible assets		-	(76)
Other cash item		-	1
Net cash flows from investing activities		(1 063)	(6 106)
Net increase in cash and cash equivalents		(11 429)	4 182
Cash and cash equivalents at the beginning of the year		57 867	53 685
Cash and cash equivalents at 31 March 2019	5	46 438	57 867

statement of comparison of budget and actual amounts

for the year ended 31 March 2019

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	598	1 598	1 762	164
Other revenue	790	-	790	808	18
Bad debts recovered	-	-	-	81	81
Gain on disposal of assets	-	-	-	120	120
Total revenue from exchange transactions	1790	598	2 388	2 771	383
Revenue from non-exchange transactions					
Transfer revenue					
Transfers and subsidies	69 398	(3 307)	66 091	67 340	1 249
Total revenue	71 188	(2 709)	68 479	70 111	1 632
Expenditure					
Employee related cost	(35 228)	(418)	(35 646)	(35 689)	(43)
Finance cost	-	-	-	(7)	(7)
Loss on foreign exchange	(2)	-	(2)	-	2
Other operating expenses	(14 555)	673	(13 882)	(12 756)	1 126
Marketing cost	(3 053)	(80)	(3 133)	(3 578)	(445)
Audit fees	(1 913)	(175)	(2 088)	(1 992)	96
Workshop, seminars and events	(12 878)	(569)	(13 447)	(14 054)	(607)
Administrative expenses	(3 559)	(59)	(3 618)	(3 234)	384
Total expenditure	(71 188)	(638)	(71 816)	(71 310)	506
Operating deficit	-	(3 337)	(3 337)	(1 200)	2 138
Capital expenditure	-	(2 226)	(2 226)	(929)	1 297
Deficit for the year	-	(5 563)	(5 563)	(2 129)	3 434

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.

Refer note 31 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 2019

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 Economies
- GRAP 11: Construction Contracts
- GRAP 12: Inventories
- GRAP 13: Leases
- GRAP 14: Events after Reporting Date
- GRAP 16: Investment Property
- GRAP 17: Property, Plant and Equipment
- GRAP 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 (prior year IAS19 Employee Benefits)
- GRAP 26: Impairment of cash – generating assets
- GRAP 100: Non-current Assets Held for Sale and Discontinued Operations
- GRAP 101: Agriculture
- GRAP 102: Intangible Assets
- GRAP 103: Heritage assets (not applicable)
- GRAP 104: Financial Instruments

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
- it 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 Cash reserves

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

1.4 Financial instruments

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

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

Classification

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.

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.

1.5 Plant and equipment

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

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

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

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

Cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as 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) it included in profit or loss in the year the asset is derecognised. Useful lives and residual values are assessed annually where applicable.

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

1.6 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

1.7 Impairment

Impairment of financial asset

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

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

Assets carried at amortised cost

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

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

Fair value investments

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

Impairment of non-financial assets

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

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

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

Recognition and measurement

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

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.

1.8 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.

1.9 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.

1.10 Translation of foreign currencies

Foreign currency transactions

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

1.11 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.

1.12 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.

1.13 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.

1.14 Budget information

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

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

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

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

1.15 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

1.16 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 judgemental 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 28.

1.17 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.

1.18 Irregular, fruitless and wasteful expenditure

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure is treated as expenditure in the income statement until such expenditure is condoned by Provincial Treasury. At this point it is treated as a current asset until it is recovered from a third party. Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party except for instances that could not be provided for.

1.19 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-cancellable or only cancellable 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.

1.20 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 fulfilment. A prepayment is initially charged to the balance sheet and the related expense is charged to the income statement in the accounting period in which it is incurred or utilized.

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 the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imburement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

notes to the annual financial statements
for the year ended 31 March 2019

	2019 R'000	2018 R'000
2. Trade and other receivables from exchange transactions		
Trade debtors	5 917	736
Less: Provision for doubtful debts	(33)	(81)
Sundry debtors and deposits	558	560
	6 442	1 215

Trade and other receivables past due but not impaired

	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 2019, trade and other receivables of R 33 060 (2018: R 81 122) were impaired and provided for.

Opening balance	81	-
Movement in provision	33	81
Bad debts recovered	(81)	-
Closing balance	33	181

3. Receivables from non-exchange transactions

Government grants and subsidies	10 884	1 850
Less provision for doubtful debts	(100)	(100)
	10 784	1 750

Receivables from non-exchange transactions past due but not impaired

	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	100	10 884

opening balance	100	-
Movement in provision	-	100
Bad debts recovered	-	-
Closing balance	100	100

Provisions for doubtful debts

As of 31 March 2019, other receivables from non-exchange transactions of R 100 000 (2018: R 100 000) were impaired and provided for.

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019	2018
	R'000	R'000
4. Prepayments		
Administrative expenses	153	163
Operating expenses	533	-
Workshops, seminars and events	549	-
	1 235	163

Included in prepayments is the stand design and building cost for the World Travel Market to be held on the 10 to 12 April 2019 of R 549 320, annual Microsoft licenses of R 75 837, Who Owns Whom annual subscription fees of R 114 883, Best Cities Global annual membership contribution of R 122 479 and Trade Advisory annual subscription service fee of R 91 425.

5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash and balances with banks	7 704	10 454
Short-term deposit/investments	38 729	47 408
Cash on hand	5	5
	46 438	57 867

	2019			2018		
	R'000	R'000	R'000	R'000	R'000	R'000
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fittings	1 967	(1 348)	619	1 837	(1 103)	734
Vehicles	1 160	(650)	510	1 165	(540)	625
Office equipment	572	(347)	225	533	(279)	254
Computer equipment	2 906	(1 316)	1 590	3 444	(1 849)	1 595
Leasehold improvements	2 664	(2 004)	660	2 245	(1 579)	666
Projects furniture and fittings	1 599	(716)	883	1 590	(311)	1 279
Projects office equipment	1 245	(474)	771	1 243	(162)	1 081
Projects leasehold improvements	844	(312)	532	807	(108)	699
Project computer equipment	215	(50)	165	66	(11)	55
Total	13 172	(7 217)	5 955	12 930	(5 942)	6 988

notes to the annual financial statements (continued)
for the year ended 31 March 2019

6. Plant and equipment (continued)

Reconciliation of plant and equipment - 2019

	R'000 Opening balance	R'000 Additions	R'000 Adjustments	R'000 Disposals	R'000 Depreciation	R'000 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 improvements	666	48	-	-	(54)	660
Projects furniture and fittings	1 279	8	-	-	(404)	883
Projects office equipment	1 081	2	-	-	(312)	771
Projects leasehold improve- ments	699	37	-	-	(204)	532
Projects computer equipment	55	149	-	-	(39)	165
	6 988	1 045	98	(80)	(2096)	5 955

Assets with a cost price of R 2 438 267 which had been fully depreciated but are still in use was reassessed and current depreciation was adjusted by R 642 394.

Reconciliation of plant and equipment - 2018

	R'000 Opening balance	R'000 Additions	R'000 Disposals	R'000 Adjustments	R'000 Depreciation	R'000 Total
Furniture and fittings	653	261	(13)	56	(223)	734
Vehicles	349	474	(233)	83	(48)	625
Office equipment	265	49	-	22	(82)	254
Computer equipment	584	1 316	(24)	-	(281)	1 595
Leasehold improvements	712	389	-	-	(435)	666
Projects furniture & fittings	-	1 590	-	-	(311)	1 279
Projects office equipment	-	1 243	-	-	(162)	1 081
Projects leasehold improve- ments	-	807	-	-	(108)	699
Projects computer equipment	-	66	-	-	(11)	55
	2 563	6 195	(270)	161	(1 661)	6 988

7. Intangible assets

	2019			2018		
	R'000 Cost	R'000 Accumulated amortisation	R'000 Carrying value	R'000 Cost	R'000 Accumulated amortisation	R'000 Carrying value
Computer software	330	(196)	134	608	(525)	83
Projects Computer Software	29	(22)	7	29	(7)	22
Total	359	(218)	141	637	(532)	105

notes to the annual financial statements (continued)
for the year ended 31 March 2019

			2019	2018
			R'000	R'000
7. Intangible assets (continued)				
Reconciliation of intangible assets - 2019				
	R'000	R'000	R'000	R'000
	Opening balance	Additions	Amortisation	Total
Computer software	83	80	(29)	134
Projects computer software	22	-	(15)	7
	105	80	(44)	141
Reconciliation of intangible assets - 2018				
	R'000	R'000	R'000	R'000
	Opening balance	Additions	Disposals	Adjustments
	Amortisation			Total
Computer software	13	-	(57)	76
Projects computer software	-	29	-	-
	13	29	(57)	76
			44	105
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			23 139	20 604
Fair value gain/(Impairment loss on investment)			1 647	2 535
Closing balance			24 786	23 139
			24 786	23 139

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 cash flow model and a net asset value approach. The cash flow model requires management to make certain assumptions relating to the model inputs including credit risk (unsystematic risk) and volatility (Beta). These inputs are used in management's estimate of the fair value for this unquoted equity investment.

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

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019	2018
	R'000	R'000

8. Investments (continued)

Put option on available for sale investment

The Agency has a put option agreement with CTFS, which is secured by two other shareholders, Videovision Dreamworld (Pty) Limited 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 shares held in CTFS is classified as a financial asset at fair value through profit and loss. The BlackScholes 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	8.49%	7.99%
Dividend yield	0.00%	0.00%
Volatility	37.66%	37.33%
Period (years)	2.25	3.25

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 - 2019

	R'000	R'000	R'000	R'000
	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

Reconciliation of employee benefits - 2018

	R'000	R'000	R'000	R'000
	Opening Balance	Additions	Utilised during the year	Total
Bonus provision	1 609	1 978	(1 609)	1 978
Leave pay provision	1 252	347	(177)	1 422

notes to the annual financial statements (continued)
for the year ended 31 March 2019

			2019	2018
			R'000	R'000
9. Employee benefits (continued)				
	R'000	R'000	R'000	R'000
	Actual	Adjustments	Adjusted	Total
	(accrual (cash)	comparable	adjustments	
			basis)	
Occupational injury provision	435	60	-	495
	3 296	2 385	(1 786)	3 895

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			78	6
Accruals			5 610	3 653
			5 688	3 659

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

11. Operating lease liability (accrual)				
Current				
Operating lease incentive			-	231
Operating lease liability (smoothing)			306	484
			306	715
Non-current				
Operating lease incentive			-	75
Non - current liabilities			(306)	(75)
Current liabilities			-	(715)
			(306)	(790)
The premises lease liability included in commitments (Note 24)				
Not later than one year			4 458	4 678
Later than one year and not later than 5 years			16 471	974
			20 929	5 652

The operating lease related to premises utilised for office space. The Agency renewed the 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			8 368	13 845
Department of Trade and Industry			9 106	6 032
Municipalities			3 077	1 161
Multiple funder projects			18 688	16 532
Other projects			2 529	417
			41 767	37 986

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
12. Deferred income (continued)		
Opening balance	37 986	35 566
Add: Current year receipts	62 012	31 967
Less: Amounts transferred to income for the year (Refer note 15)	(58 231)	(29 547)
	41 767	37 986
Please refer to Annexure A for a detailed listing of the deferred income balances.		
13. Interest Received		
Interest received	1 762	1 522
14. Other revenue		
Sundry income	313	123
DMO Leisure Income	495	1 397
	808	1 520
15. Government grant and subsidies		
Operating grants		
Grants (Trade and Investment)	26 700	27 000
Grants (DMO)	32 526	32 525
Project Funding (Refer note 12)	58 231	29 547
	117 457	89 072
Capital grants		
City of Cape Town	9 364	9 987
	126 821	99 059
16. Employee related costs		
Staff cost	32 669	29 602
Basic salaries	29 522	27 703
Performance bonus	3 139	1 896
Temporary staff	8	3
	3 810	3 237

notes to the annual financial statements (continued)
for the year ended 31 March 2019

				2019 R'000	2018 R'000
16. Employee related costs (continued)					
Medical aid				466	454
UIF				152	115
Provident fund				3 192	2 668
Long-service awards				-	6
Project expenses				9 704	5 359
Total				46 183	38 204
Executive Management Remuneration	R'000	R'000	R'000	R'000	R'000
	Salary	Performance Awards	Pension Contribution	Total 2019	Total 2018
Chief Executive Officer – Timothy Harris	2 070	192	-	2 262	2 095
Chief Marketing Officer – Judy Lain	1 115	101	165	1 381	1 121
Chief Business Development Officer - Yaw Peprah	1 343	105	-	1 448	1 378
Chief Financial Officer – Kholeka Zama	954	89	145	1 188	1 086
Chief Research Officer - Cornelis van der Waal	874	65	-	939	859
Chief Communications Officer - Russel Brueton	864	84	131	1 079	-
	7 220	636	441	8 297	6 539
17. Other operating expenses					
				23 453	25 259
Board expenses				81	164
Consultants fees				2 062	2 671
Consultants fees - Project expenses				10 891	9 406
Courier and delivery charges				12	10
Insurance				75	266
License & software fees				315	1 548
Recruitment cost				32	64
Recruitment cost - Project expenses				9	-
Staff catering and refreshments				207	103
Staff catering & refreshments - Project expenses				4	-
Telecommunication cost				1 196	1 063
Telecommunication cost - Project expenses				142	-
Transport cost				112	69
Travel and subsistence				3 242	4 250

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
17. Other operating expenses (continued)		
Travel and subsistence - Project Khulisa	1 630	2 767
Travel and subsistence – Project expenses	3 443	2 878
	577	235
Maintenance - Property	238	203
Maintenance - Property - Project expenses	58	-
Maintenance - Machinery & equipment	263	-
Maintenance - Machinery & equipment - Project expenses	18	32
	5 940	4 231
Rentals - Property	4 275	4 222
Rentals - Property - Project expenses	1 052	-
Rentals - Machinery & equipment	413	9
Rentals - Machinery & equipment - Project expenses	200	-
Total	29 970	29 725
18. Marketing costs		
Advertising cost	770	874
Publishing cost	140	235
Site inspections	8	59
Project Khulisa	2 673	6 810
Project Expenses	11 357	5 703
	14 948	13 681
19. Audit Fees		
External audit fees	1 487	1 277
Internal audit fees	508	743
	1 995	2 020
20. Workshops, Seminars and Events		
Workshops & seminars	2 562	2 639
Project Khulisa	11 979	4 615
Project Expenses	19 915	5 186
	34 456	12 440
21. Administrative expenses		
Subscriptions	1 130	1 564
Fees for services - Board members	341	338
Legal fees	43	44

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
21. Administrative expenses (continued)		
Printing & stationery	125	80
Bank charges	108	94
Training and development	668	426
Project Khulisa	759	414
Project Expenses	466	412
	3 640	3 372
Non-Executive Directors (Fees for services – Board Members)		
Brian Figaji	63	59
Ian Bartes	64	54
Paul Bannister	19	22
David Green	31	38
Michael Spicer	53	47
^Andrea Bohmert	27	44
Ashraf Ameen (Resigned February 2019)	8	22
Wendy Appelbaum	-	4
Ald Marius Koen	5	11
Ald (Dr) Helena van Schlicht	4	15
^John van Rooyen	23	11
Palesa Morudu	19	11
	316	338
Independent Audit Committee (Fees for service – Audit, IT and Risk Committee Members)		
Paul Slack	16	7
*Danny Naidoo	9	12
	25	19
^ Employer of director invoiced the Agency		
* Employer of Audit Committee Member invoiced the Agency		
22. Gains on disposal of assets/liabilities		
Gains on disposal of assets	120	27
23. Fair value adjustments		
Other financial assets		
Other financial assets (Designated as at fair value through profit and loss)	1 647	2 535

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
24. Cash (used in) generated from operations		
(Deficit) surplus	(2 133)	3 426
Adjustments for:		
Depreciation and amortisation	2 140	1 612
Gain on disposal of assets	(120)	(27)
Loss on foreign exchange	-	2
Fair value adjustments	(1 647)	(2 535)
Bad debt	33	181
Changes in working capital:		
Trade and other receivables from exchange transactions	(14 262)	1 082
Prepayments	(1 072)	2 207
Employee benefits	1 370	599
– Trade and other payables	2 028	1 555
– Operating lease liability	(484)	(234)
– Deferred income	3 781	2 420
	(10 366)	10 288
Cash received from funders:		
Total revenue	131 239	104 663
Gain on disposal of assets	(120)	(27)
Fair value adjustment	(1 647)	(2 535)
Bad debt written off	33	181
Movement in working capital	(14 262)	1 082
Trade and other receivables from exchange and non-exchange transactions	(1 072)	2 207
– Prepayments	(1 072)	2 207
– Deferred income	3 781	2 420
	117 952	107 991
Cash paid to suppliers:		
Total expenditure	(133 372)	(101 237)
Depreciation and amortisation	2 140	1 612
Loss on foreign exchange	-	2
Movement in working capital	1 370	599
– Employee benefits	2 028	1 555
– Trade and other payables	2 028	1 555
– Operating lease liability	(484)	(234)
	(128 318)	(97 703)

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
25. Contingent Liabilities and Commitments		
Contingent liabilities		
Contingent liabilities	-	2 587
There is no contingent liability as at 31 March 2019. Nil roll over request		
Commitments		
Conference and stakeholder management		
Minimum payments due		
- within one year	965	-
- in second to fifth year inclusive	-	-
	965	-
Conference commitment 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).		
Operating leases		
Minimum payments due		
within one year	4 458	4 678
in second to fifth year inclusive	16 471	974
	20 929	5 652
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. During the year ended 31 March 2019 a tender for the operating lease agreement of office printers and photocopiers was in progress.		
Cape Town Air Access Route Incentive		
Minimum payments due		
within one year	22 432	-
in second to fifth year inclusive	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 instalments 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.		
Total commitments	58 326	5 652
Capital commitments		
Wesgro has no future capital commitments as at 31 March 2019.		

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
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 transactions		
National Government:		
Department of Trade and Industry Provincial Government:	2 000	2 000
Department of Agriculture	2 951	25
Department of Economic Development and Tourism	95 199	74 936
Department of Cultural Affairs and Sport	472	-
Local Government:		
City of Cape Town	13 264	9 987
Cape Winelands District Municipality	375	-
Provincial and Local Government dual funded projects		
*Film	-	309
*Air Access	3 800	4 179
*Cape Health Technology Park	-	1 000
Private Companies:		
Airports Company South Africa	-	650
Cape Town Call Centre Development Association T/A BPESA	313	-
Cape Town International Convention Centre	25	105
Cape Town Tourism	334	-
Sea Harvest Group Limited	256	-
South African Tourism	1 000	1 000
Southern Sunhotels Interests (Pty) Ltd t/a Tsogo Sun Hotels	250	-
The Aurum Institute	15	-
V&A Waterfront Holdings (Pty) Ltd	621	22

* 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.

notes to the annual financial statements (continued)

for the year ended 31 March 2019

27. Retirement benefits

Most employees are members of a defined contribution plan administered by Liberty Life or Old Mutual. Both plans are governed by the Pension Funds Act of 1956. Provident fund contributions are made by the Agency only plus administration costs of the fund. In the current financial year total contributions amounted to R 3 191 744 (March 2018: R2 668 484).

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 R'000	2019		Investment value R'000	2018	
		±.50%	±1.0%		±.50%	±1.0%
Cash and cash equivalents	38 729	194	387	47 408	237	474

Price risk

The Agency's investment in Cape Town Film Studio (Pty) Ltd is exposed to market price risk arising from uncertainties about the future value of the investment. The Agency manages the downward price risk through three put option agreements with Cape Town Film Studios (Pty) Ltd and two other shareholders, Videovision Dreamworld (Pty) Ltd and Sabido Investments (Pty) Ltd, which requires them to purchase the Agency's investment at the original purchase price of R30,000,000 should certain conditions/ milestones not be met and Wesgro chooses to exercise these options. At reporting date, the exposure to unlisted investments at fair value was R255.50 (March 2018: R255.50).

notes to the annual financial statements (continued)
for the year ended 31 March 2019

28. Risk management (continued)

Discount rate	R'000 Base – 20.2%	R'000 Low 18.2%	R'000 Effect	R'000 High – 22.2%	R'000 Effect
FV of put option	24 786	24 786	-	24 786	
Option exercise period	Base – 2.25 years	Low - 1.75 years	Effect	High - 2.75 year	Effect
FV of put option	24 786	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	24 786	24 786	-	24 786	-
Total	Base	Low	Effect	High	Effect
FV of put option	24 786	23 757	1 029	21 824	2 962

29. Financial instruments disclosure

Financial assets per category

2019	R'000 At amortised cost	R'000 At fair value	R'000 Total
Trade and other receivables	-	6 442	6 442
Receivables from non-exchange transactions	-	10 784	10 784
Investments	-	24 786	24 786
Cash and cash equivalents	46 438	-	46 438
	46 438	42 012	88 450
2018	At amortised cost	At fair value	Total
Trade and other receivables	-	2 965	2 965
Investments	-	23 139	23 139
Cash and cash equivalents	57 867	-	57 867
	57 867	26 104	83 971

Financial liabilities per category

2019	At amortised cost	Total
Trade and other payables	5 688	5 688
2018	At amortised cost	Total
Trade and other payables	3 659	3 659

notes to the annual financial statements (continued)
for the year ended 31 March 2019

			2019	2018
			R'000	R'000
30. Reconciliation of actual results to a comparable basis for budget comparison				
	R'000	R'000	R'000	Notes on
	Actual (accrual basis)	Adjustments	Adjusted to comparable basis (cash)	adjustments
REVENUE				
Interest received	1 762	-	1 762	
Other revenue	808	-	808	
Bad debts recovered	81	-	81	
Gain on disposal of assets	120	-	120	
Fair value adjustments	1 647	(1 647)	-	(a)
Revenue from exchange transactions	4 418	(1 647)	2 771	
Government grant and subsidies	126 821	(59 481)	67 340	(b)
TOTAL REVENUE	131 239	(61 128)	70 111	
EXPENDITURE				
Employee related costs	46 183	(10 494)	35 689	(c)
Depreciation	2 140	(2 140)	-	(d)
Finance cost	7	-	7	
Bad debt	33	(33)	-	(e)
Other operating expenses	29 970	(17 214)	12 756	(f)
Marketing cost	14 948	(11 370)	3 378	(g)
Audit fees	1 995	(3)	1 992	(h)
Workshops, seminars and events	34 456	(20 402)	14 054	(i)
Administrative expenses	3 640	(406)	3 234	(j)
TOTAL EXPENDITURE	133 372	(62 061)	71 310	
(Deficit) for the year	(2 133)	1 478	(1 200)	
Capital expenditure	(929)	-	(929)	(k)
	(3 062)	1 478	(2 129)	
Net increase / (decrease) in cash and cash equivalents as per statement of cash flow			(11 429)	
Increase in deferred income			(3 781)	
Movement in operating activities			20 247	
Movement in investment activities			(7 166)	
Adjusted actual surplus for the year			(2 129)	

notes to the annual financial statements (continued)
for the year ended 31 March 2019

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

- (a) 10 % Investment in Cape Town Film Studios (Pty) Ltd fair value adjustment
- (b) Ring-fenced special projects allocated to deferred income receipts and CoCT receivable movement
- (c) Bonus and leave provision movement and ring-fenced special projects employee cost charged to deferred income
- (d) Depreciation & amortisation adjustment
- (e) Change in provision for doubtful debt
- (f) Ring-fenced special projects operating costs charged to deferred income and accruals
- (g) Ring-fenced special projects marketing costs charged to deferred income (Global Tourism and Goodhope) and accruals
- (h) Audit fee accrual
- (i) Ring-fenced special projects events and incentives charged to deferred income and accruals
- (j) Ring-fenced special projects administrative costs charged to deferred income and accruals
- (k) Refer to note 6 and 7

31. Budget differences

Material differences between budget and actual amounts

Interest received - Additional interest of R0.6 mil retained within Wesgro to resolve the City of Cape Town Day Zero budget cut approved by the accounting authority.

Government grant and subsidies - Reallocation of R 2 mil to Global Tourism Campaign deferred income project by the accounting authority.

Employee related cost - More vacant positions filled across the agency, a budget virement for salary costs of (R 0.4mil) was approved by the accounting authority.

Other operating expenses - Net cost containment savings (R0.7 mil) reprioritized in line with the budget virement approved by the accounting authority.

Marketing cost - Additional marketing or promotional activities planned (R80k) to minimize the negative media in relation to Day Zero.

Workshops, seminars and events - Additional support for events (R0.6mil) encouraging tourist to spread throughout the Province where the Day Zero impact was minimal.

Administrative expenses - Slightly higher 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

Capital expenditure

Furniture & fittings of R 140 038, computer equipment of R 784 368, office equipment of R 36 791, leasehold improvements of R 84 652 and computer software of R 80 695 were acquired during the financial year.

notes to the annual financial statements (continued)
for the year ended 31 March 2019

	2019 R'000	2018 R'000
32. Irregular expenditure		
Opening balance	1 000	-
Add: Irregular expenditure current year	-	1 000
Less: Amount condoned	(1 000)	-
	-	1 000

No irregular expenditure was identified during the financial year ending 31 March 2019.

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. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

35. 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)	-
	-	-

The accounting authority took all appropriate disciplinary steps against the official responsible for incurring fruitless and wasteful expenditure. When taking disciplinary steps in terms of sections 38(1)(h)(iii) and section 51(1)(e)(iii) of the PFMA, the accounting authority took into consideration the circumstances of the transgression, the extent of the expenditure involved and the nature and seriousness of the transgression.

36. 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.

Types of goods and/or services by segment

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

notes to the annual financial statements (continued)
for the year ended 31 March 2019

36. Segment information (continued)

Revenue

Reportable segment

Investment and Trade Promotion

Destination Marketing

Wesgro Support Services

Service potential

Attract and return direct and domestic investments and grow exports

Market the Western Cape as a business and leisure tourism destination

Business Support Services

Segment surplus or deficit, assets and liabilities

2019

	R'000	R'000	R'000	R'000
	Investment and trade promotion	Destination marketing	Wesgro support services	Total
Interest received	-	-	1 762	1 762
Other revenue	-	495	313	808
Bad debts recovered	-	-	81	81
Gains on disposal of assets	-	-	120	120
Fair value adjustment	-	-	1 647	1 647
Government grant 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				
Employee related cost	9 733	14 612	21 838	46 183
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 deficit				(2 133)

notes to the annual financial statements (continued)
for the year ended 31 March 2019

36. Segment information (continued)

2018

	R'000	R'000	R'000	Total
	Investment and trade promotion	Destination Marketing	Wesgro Support Services	
Revenue				
Interest received	-	-	1 522	1 522
Other revenue	-	829	691	1 520
Gain on disposal of assets	-	-	27	27
Fair value adjustment	-	-	2 535	2 535
Government grants and subsidies	14 007	17 262	67 790	99 059
Total segment revenue	14 007	18 091	72 565	104 663
Entity's revenue				104 663
Expenditure				
Employee related cost	8 631	12 958	16 615	38 204
Depreciation	-	9	1 603	1 612
Bad debt	-	-	181	181
Loss on foreign exchange	-	-	2	2
Other operating expenses	4 333	2 894	22 498	29 725
Marketing cost	333	-	13 348	13 681
Audit fees	-	711	1 309	2 020
Workshop, seminars and events	934	-	11 506	12 440
Administrative expenses	-	249	3 123	3 372
Total segment expenditure	14 231	16 821	70 185	101 237
Total segmental surplus				3 426

ANNEXTURE A

	2018	Receipts & Transfers 2018/19	Interest	Expenditure	2019
	R'000	R'000	R'000	R'000	R'000
Deffered income					
DEDAT - Department of Economic Development & Tourism	(13 845)	(23 268)	(344)	29 089	(8 368)
T&I - Wine Promotion	(512)	(1 937)	-	1 879	(570)
DMO - Bicycle Track	(238)	(2 650)	-	2 887	(1)
Project Khulisa	(14)	14	-	-	-
Halaal Export Project	(1 990)	(1 000)	-	2 484	(506)
Data Intelligence	(2 228)	(79)	(89)	1 560	(835)
Cape Investor Centre (Invest SA) OPEX	(5 455)	1 900	(166)	3 454	(266)
Halal Industrial Park	(1 428)	(700)	-	1 194	(934)
SEDIC	(1 980)	(8 325)	(63)	8 343	(2 025)
Website Update (2019)	-	(1 740)	-	498	(1 242)
Global Tourism Campaign (2019 DEDAT)	-	(8 553)	(26)	6 790	(1 788)
DEDAT - WTM 2019	-	(200)	-	-	(200)
DTI - Department of Trade & Industry	(6 032)	(4 760)	(253)	1 940	(9 106)
Cape Investor Centre (Invest SA) CAPEX	(6 032)	-	(222)	1 234	(5 020)
CIC: Marketing P - DTI	-	(4 760)	(31)	706	(4 085)
Municipalities	(1 161)	(5 648)	(37)	3 769	(3 077)
Consolidated Sector Projects	(510)	-	-	-	(510)
Film Projects	(151)	(2 175)	11	2 097	(218)
Saldanha Municipality	(500)	-	(18)	126	(392)
Matzikama Municipality	-	(688)	(8)	164	(532)
George Municipality	-	(600)	(8)	144	(464)
Knysna Municipality	-	(2 010)	(14)	1 070	(954)
Drakenstein Municipality	-	(175)	-	168	(7)
Multiple Funder Projects	(16 532)	(17 175)	(541)	15 560	(18 688)
Agribusiness Investment Unit	(49)	(1 951)	(6)	1 987	(19)
Air Access (Cape Catalyst)	(12 340)	(12 825)	(401)	9 627	(15 939)
Science and Technology	(4 143)	(2 399)	(134)	3 946	(2 730)

ANNEXTURE A

	2018	Receipts & Transfers 2018/19	Interest	Expenditure	2019
	R'000	R'000	R'000	R'000	R'000
Deferred income					
Other Projects	(417)	(9 986)	-	7 874	(2 529)
Special Operation Project	(299)	(132)	-	-	(431)
Bidding Condition - World Congress on Infectious Diseases	(11)	11	-	-	-
On-site support Board of Healthcare Funders	(5)	5	-	-	-
2016 International Gay & Lesbian Travel Association Global C	(1)	1	-	-	-
On-site support: NCB	(0)	0	-	-	-
Singapore/Japan outward mission	(101)	101	-	-	-
Project Good Hope	-	(5 000)	-	4 998	(2)
HALAL IBM/African Week	-	(2 700)	-	2 700	-
Cradle of Mankind	-	(472)	-	-	(472)
Global Digital Region	-	(800)	-	176	(624)
African Youth Agripreneur Forum	-	(1 000)	-	-	(1 000)
TOTAL	(37 986)	(60 838)	(1 175)	58 231	(41 767)

Project expenses consist of the following:

Employee cost	9 704
Other operating expenses	15 817
Marketing cost	11 357
Workshop, seminars and events	19 915
Administrative expenses	466
Depreciation	972

58 231



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