

An aerial night view of the Cape Town skyline, showing numerous illuminated skyscrapers and buildings against a dark blue sky with some light clouds. The city lights create a vibrant contrast with the dark surroundings.

WESGRO

cape town & western cape
tourism, trade & investment

Cape Town and the Western Cape – A leading regional economy

ANNUAL REPORT 2021/22

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Part A

General Information

Part A: General Information

1. Public entity's general information

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

2. List of abbreviations

ACSA	Airports Company of South Africa
AIU	Agri-business Investment Unit
APAC	Agricultural Produce Agents Council
APP	Annual Performance Plan
AVE	Advertising Value Equivalent
B2C	Business to Consumer
B-BBEE	Broad-Based Black Economic Empowerment
BPESA	Business Process Enabling South Africa
BPO	Business Process Outsourcing
CEO	Chief Executive Officer
CIPC	Companies and Intellectual Property Commission
CoCT	City of Cape Town
CTIA	Cape Town International Airport
CTICC	Cape Town International Convention Centre
CTRU	Cape Town Routes Unlimited
CTT	Cape Town Tourism
DEA&DP	Department of Environmental Affairs and Development Planning
DEDAT	Department of Economic Development and Tourism
DHA	Department of Home Affairs
DMO	Destination Marketing Organisation
DoL	Department of Labour
DotP	Department of the Premier
DSI	Department of Science and Innovation
Dtic	Department of Trade Industry and Competition
EAP	Export Advancement and Promotion
EDP	Exporter Development Programme
EMU	Executive Management Unit
EU	European Union
ESEID	Economic Sectors, Employment and Infrastructure Development
FDI	Foreign direct investment
FTE jobs	Full-time equivalent jobs
GDP	Growth Development Plan
GRAP	Generally Recognised Accounting Practices
HR	Human Resources
IP	Investment promotion
IPAs	Investment promotion agencies
IPAP	Industrial Policy Action Plan
ICT	Information and Communications Technology
JMA	Joint Marketing Agreement
LTA	Local Tourism Association
LTOs	Local Tourism Offices

MCU	Marketing and Communication Unit
M&E	Monitoring and Evaluation
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
NRCS	National Regulator for Compulsory Specifications
NT	National Treasury
NTSS	The National Tourism Sector Strategy
OFDI	Outward foreign direct investment
PFMA	Public Finance Management Act
PPPF	Preferential Procurement Policy Framework Act
PSG	Provincial Strategic Goal
PSP	Provincial Strategic Plan
PR	Public Relations
RSA	Republic of South Africa
RTO	Regional Tourism Organisation
R & D	Research and Development
SARB	South African Reserve Bank
SAT	South African Tourism
SARS	South African Revenue Service
SAMSA	South African Maritime Safety Authority
SCOPA	Standing Committee on Public Accounts
SEO	Search Engine Optimisation
SEZ	Special economic zone
SLA	Service level agreement
SONA	State of the Nation Address
SOPA	State of the Province Address
SMMEs	Small, medium and micro enterprises
SPV	Special-purpose vehicle
TP	Trade promotion
TNPA	Transnet Ports Authority
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USA	United States of America
VIP	Vision Inspired Priorities
VFS	Visa Facilitation Services
WTO	World Trade Organization
ZAR	South African Rand

3. Foreword by the chairperson

It's an extraordinary time to be living in the Western Cape. Defying all odds and national trends, just about every important indicator is positive, and the Province is raising the bar in how it is planning for the future. Wesgro is the critical bridge between the public and private sectors. It's a privilege executing this responsibility in a province where co-operation between the two is considered not only preferable, but entirely normal. In short, there is no other recipe for success.

Importantly, both sectors understand their respective responsibilities and areas of strength and play to them. The public sector is essentially an enabler; it provides the right investment climate and supporting infrastructure. The private sector grasps this opportunity and leverages its areas of expertise. The end game is the creation of opportunity and jobs.

Whether supported by empirical evidence or anecdotal observation, the migration of skills is definitely on a southward trend. South Africans living in other parts of the country are understanding quickly that this province offers quality of life, clean government, efficiency, a vision for the future, and a wealth of opportunity. We stand firmly behind attracting scarce skills into our province; our plans for the future will demand the very best that South Africa has to offer.

All indications toward the end of 2021 were that the global economic recovery was set to continue strongly into 2022, but with some lingering COVID-19-related risks. No one could have foreseen the onset of the Omicron-variant in late 2021 and the resultant restrictions and disruptions, which soon translated into rising energy prices and supply constraints. Lower growth projections in both the United States and China were of further concern. The conflict in the Ukraine continues to darken an already-clouded outlook for the global economy. While the degree of impact remains unknown, the reality is that global economic output will be significantly impacted by the ongoing Ukraine - Russia developments.

Closer to home, traveller confidence has returned, manifesting in a strong growth in both domestic tourism and international arrivals into the Province. The successful re-launching of international flights to Cape Town International Airport from 23 international destinations, served by 18 international airlines in 2022, has been pivotal to this. Domestically, connections to all 13 pre-pandemic destinations have been re-established for Cape Town International Airport, served by seven local airlines. The forthcoming increase in frequency by a number of existing airlines, as well as new services to Cape Town in coming months, will further boost the tourism sector, while burgeoning air cargo opportunities provide further support for the local economy. Wesgro's Air Access team have materially contributed to this success.

The trade and investment environment has however been a lot more challenging. The reality is that COVID-19 is not conducive to attracting investment. Economic growth remains constrained and unemployment pervasive. There is a desperate, urgent need for job creation.

Given its mandate, Wesgro has been obliged to rethink its why and how. Not only has the Agency grappled with challenging global economic conditions, but the failure of infrastructure within the purview of national government is also of significant consequence and concern. These blockages will remain an impediment to economic growth and erode investor confidence until addressed. The strengthening of strategic relationships between the private sector and all levels of government is critical.

Despite the challenges, Wesgro delivered a pleasing number of achievements during the period under review. While there continued to be extensive engagement over digital platforms, there has been a steady return to the most effective way of operating as the global workforce has begun to normalise after the disruptions of the pandemic. Overall, Wesgro's economic impact has mirrored the economic climate and R8.875bn in economic impact was generated and 5 179 jobs created.

Export Promotion facilitated the signing of 61 trade agreements for Western Cape companies to export globally. We anticipate that this unit will remain highly productive in years to come following its recent launch of the digital matchmaking platform, the Cape Trade Portal. Investment Promotion facilitated the commitment of eight investment projects during the year in the face of the currently depressed investor climate.

Despite COVID-19's impact on international leisure and business tourism, the Agency's Destination Marketing Organisation (DMO) unit supported a number of tourism destination marketing initiatives over the past financial year. Specifically, the Convention Bureau secured 18 new bids. This despite the fact that the announcement of Omicron resulted in border closures and flight restrictions to South Africa after many months of planning and preparation. Prior to Omicron, the team, along with the rest of the tourism economy, had anticipated economic gains from the international tourist arrivals during the peak tourism season.

Notwithstanding the challenging environment and flight restrictions, the Film and Media Promotion Unit signed eight film and media production declarations. The Province is a perfect destination for filmmaking, and we are very encouraged that interest in us as a destination is growing again. We are confident of the significant role it will continue to play in creating jobs and opportunities for skills enhancement.

As we come out of the dire effects that Covid brought upon us, we have much to be excited about. We have a booming agricultural sector. We are far advanced on green technology – the way of the future. We are setting the standard for independent power generation. Our financial services sector is growing apace, and we are fortunate to be experiencing an exhilarating tech space characterised by votes of confidence from Amazon, and Teraco, to name only two. As I said, it's an extraordinary time to be living in the Western Cape. There are exciting opportunities which must be delivered.

I would like to thank every staff member who worked harder than ever to achieve what we did this financial year.

Unfortunately, I must report that while running fast and dealing with considerable change we “dropped the ball” in relation to our Financial Statements and received a “qualified Audit report”. The qualification related to an accounting balance sheet technicality on the manner in which we restated the fully written off value of computer and office equipment. Importantly this was not in relation to poor controls; fruitless and wasteful expenditure or fraud. This is a highly regrettable error which should have been avoided and steps have been taken to ensure it will not recur and we return to the Provincial and City benchmark of unqualified audit reports.

Our energies and focus are on positioning the Western Cape as a leading regional economy globally. This functional, stable Province has a lot to offer with many opportunities and a large skills base. We need to champion the Province's strengths and competitive advantages and build not only on our traditional mature sectors but advance our world-class tech and green sectors. We recognise that this will require a step-up in dialogue between government and the private sector to unlock any challenges which could prevent the Province from realising its full potential. Never has our work been more critical.

I would like to extend a sincere thank you to Premier Alan Winde, Executive Mayor Geordin Hill-Lewis, MEC Mirelle Wenger, MEC David Maynier and Alderman James Vos. It is your support and vision, and your remarkable commitment to growing the economy of the Western Cape that enable Wesgro to deliver what it needs to.

I must also pay a special tribute to my predecessor, the late Michael Spicer, who chaired the board of Wesgro for a decade until his sudden passing in March, who was instrumental with the board in setting the organisation on the path to its extraordinary achievements and success. His passing has left us a shining legacy that implores us to continue to serve with dedication and thoughtfulness, ever aware of the debt we owe to the country and its citizens as we forge new paths for growth and prosperity for all.

I am delighted to welcome and thank our new Chief Executive Officer, Wrenelle Stander, who has already hit the ground running, I would also thank all the members of the Wesgro Board. Your leadership in these changing and challenging times has been exceptional.



A handwritten signature in black ink that reads "David S. Green". The signature is fluid and cursive, with a horizontal line underneath it.

David Green
Chairperson
Wesgro
August 2022

4. Chief Executive Officer's Overview

The financial year ending 31 March 2022 marks a year of transition - both for the world and Wesgro as an organisation.

The change took us from a state of lockdown to a new hybrid environment where nothing was definite and everything may be cancelled in a single day. In retrospect, it was a year of enormous challenges for South Africa, involving new variations, travel bans, red lists, lethal waves of Covid-19, and the July riots in KZN. The year ended, however, with hints of normalcy, supported by broad access to vaccines, including the return of aircraft, encouraging signs of tourism revival, the reopening of major trade exhibitions and conferences, and the return of corporate delegations to the Western Cape. Unfortunately, the year came to a close with the beginning of yet another catastrophe, the Russian invasion of Ukraine and subsequent outbreak of war.

During this difficult year, Wesgro also had a leadership shift, and I am thrilled to have assumed the helm in October 2021. In addition to a leadership shift, the Agency had to consistently respond to recurring global and national crises.

As an Agency responsible with promoting international tourism, trade, and investment, we are acutely aware of the terrible effects that the closing of international borders has had on so many of our industries. The previous year was especially difficult due to the fact that many regions of the world reopened their borders selectively, with many of South Africa's most significant economic partners continuing travel restrictions. This resulted in consumer and traveler uncertainty, which the Agency had to work extremely hard to restore.

I would like to reflect upon one of the ways in which Wesgro adapted to the challenges of the past two years. When the Covid-19 pandemic struck, Wesgro's export promotion unit could no longer take exporters to market, and had to find a new way of facilitating international business matchmaking. The team immediately started to organise trade virtual missions. This was the beginning of a journey of digitising Wesgro's export promotion offering. Once travel reopened across Africa, the team also pioneered a model of hybrid trade missions. Thereafter, the journey of adaption culminated in the launch of the Cape Trade Portal (www.capetradeportal.com), an online, always-on, matchmaking tool for buyers and exporters, and a digital resource centre for the industry. In essence, the pandemic fundamentally changed the way in which Wesgro provides export promotion and development services, and now allows the Agency's services to reach a scale and speed never seen before.

Digital marketing has been one of the most powerful tools of Wesgro and during the past year we sought to rise far above our competitors. I would like to provide two key highlights. The first, in support of the Cape Trade Portal, the "Made in the Cape" exports brand and campaign was launched exclusively in the United Kingdom and has reached more than 10 million people and driven over 100 000 clicks to the CapeTradePortal.com, exposing the market to Western Cape products in an unprecedented way, cementing a 'region of origin' story in the minds of our market that makes the Cape's goods and services synonymous with trust, quality and sustainability. The second, is the United Kingdom "Neverending Tourist" campaign gaining 2.3 million views on YouTube. The campaign was well timed with South Africa's removal off the UK red list and provided the perfect antidote to lockdown life, whilst encouraging visitors to come and 'get in a good space'. I believe that we achieved more than what we set out to do in this area and that the effects will be felt for some time still.

However, much is left to be done in the coming year as we normalise a world that can change in a myriad of ways at any minute. It is our duty to critically assess the global environment in which we operate and respond effectively to the changes around us. As we intend to take our place as a global leading sub-national TIPA and position the Western Cape as a competitive destination globally, we must be sensitive to the desperate need to grow the economy and create jobs. In that vein, we as Wesgro need to look at the current need but also the needs of the future and what drives sustainable and inclusive growth.

As the 2022/23 fiscal year comes to a close, we reflect on our success amid the most challenging period imaginable, as well as the tremendous potential that lay ahead. Wesgro's performance relative to its goals is reflective of the worldwide economic context, and I am sure that we executed to the best of our abilities despite difficult conditions.

In light of the most recent fiscal year, the Agency is still a going concern with a solid financial standing. Wesgro finished the year with a surplus of R2 834 000. Despite the detrimental impact of COVID-19 on Wesgro, the agency has been able to enhance operations by adapting to the environment and reprioritizing spending.

Actual cash received for the year was 98% of the budgeted cash revenue while actual operating expenditure of 93% of the budgeted expenditure was realized in the year under review. Capital expenditure performance was at 52% of the budgeted expenditure, the timing of which was negatively impacted by the supply chain management delays as a result of COVID-19, resulting in the one major capex project planned being delayed for implementation in the 2023 financial year.

Key to the delivery on our mandate is our human resource asset base and Wesgro has managed to maintain a very skilled and competent staff complement during the year under review. However, the investment promotion unit has had a high turnover during the year. The recruitment of staff for vacancies in key strategic and operational positions has been a focus, as well as managing staff turnover in the period under review.

The Agency serves as an implementing agent for various projects funded by the Provincial Department of Economic Development and Tourism (DEDAT) and as such had running projects for which rollover of funds has been requested to the value of R4.7million. These are for strategic projects that will be resuming in the 2022/23 financial year.

As an Agency we pride ourselves in maintaining sound governance and as such ensure that we have fair and equitable supply chain processes. During the year under review Wesgro has continued to work on strengthening its supply chain management processes.

The Agency has developed strong working relationships with its sponsors, primarily DEDAT and the City of Cape Town, and we are sure that we will be able to secure future financing to fulfill our mission. As the expansion of the economy and the provision of employment opportunities are unmistakable government priorities, the Agency will continue to fulfill its purpose and remain committed to its patrons.

I would like to thank the staff of Wesgro for welcoming me, and for their hard work and dedication to making the Western Cape a leading regional economy under very tough circumstances. I would also like to extend a special thanks to all of our partners at all levels of governments, and the private sector. I believe in the value and spirit of collaboration, and I believe that this is what makes the Western Cape such a dynamic and well-run province.

I would like to thank Alan Winde, Premier of the Western Cape, Geordin Hill-Lewis, Executive Mayor of Cape Town, David Maynier, outgoing Western Cape MEC, and Alderman James Vos for their leadership and vision.

I would also like to use this opportunity to honor Michael Spicer. In March of this year, we were terribly grieved by the passing of our board chairman, Michael Spicer. Mike served on the board of Wesgro for nearly a decade with great enthusiasm, insight, commitment, and vigor. I am especially appreciative of the time I was able to spend with him at Wesgro.

Thank you to each Board Member of Wesgro for his or her leadership and advice, as well as for always expecting the best from our staff.

I am thrilled to lead Wesgro into an exciting new era for tourism, trade, investment, and film. My objective is to promote equitable and sustainable economic growth and job creation to ensure that the Western Cape remains one of the world's top regional economies, and I firmly think that none of this would be possible without the ecosystem-wide collaborative leadership I've come to value.



A handwritten signature in black ink, appearing to read 'Wrenelle Stander', written over a horizontal line.

Wrenelle Stander
Chief Executive Officer
Wesgro
August 2022

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

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

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

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

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the public entity for the financial year ended 31 March 2022.



Wrenelle Stander
Chief Executive Officer
Date: 30 August 2022



David Green
Chairperson of the Board
Date: 30 August 2022

6. Strategic overview

6.1. Vision

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

6.2. Mission

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

The mission of the Agency is to:

- Facilitate the attraction and retention of direct investment in the Western Cape.
- Facilitate the growth of exports.
- Position and market the Province globally as a competitive and sustainable tourism and film destination.
- Facilitate the link between business and government decision-makers.
- Provide service excellence in all our business support functions.

6.3. Values

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

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

6.4. Constitutional, legislative and other mandates

6.4.1 Constitutional mandate

Constitution of the Republic of South Africa, 1996

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

- Consumer Protection
- Industrial Promotion
- Tourism
- Trade

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

6.4.2 Legislative mandates

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

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

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

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

- (f) “to furnish tourism, trade and investment marketing assistance and expert and specialised advice, information and guidance to any business, company or association of persons who so request it from the Agency or would assist the Agency in achieving its objects;
- (h) to act as a tourism, trade and investment promotion agent on behalf of the Province and to facilitate coordinated destination marketing activities for the Western Cape;
- (l) to develop, implement and promote a provincial tourism, trade and marketing strategy and implement any project that realises growth in the economy of the Western Cape;
- (n) to exercise such other powers which, in the opinion of the Minister are necessary for the achievement of its objects and which the Minister, in consultation with the Board, may confer upon the Agency by notice in the Provincial Gazette;
- (o) to promote the Province as a tourism destination; (p) to promote leisure and business tourism and events; and
- (q) to promote the alignment of provincial marketing activities in all tourism sectors in the Province in collaboration with private and public entities.”

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

The B-BBEE Act establishes a legislative framework for the promotion of black economic empowerment; empowers the Minister to issue codes of good practice, and to publish transformation charters; establishes the Black Economic Empowerment Advisory Council; and provides for matters connected therewith.

The B-BBEE Amendment Act introduced a number of changes, of which the following are deemed to be the most significant:

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

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

The Special Economic Zones Act, 2014 (Act 2016 of 2014)

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

Tourism Act, 2014 (Act 3 of 2014)

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

6.4.3 Policy mandates

6.4.3.1 National policy framework

State of the Nation Address (SONA)

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

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

Medium-Term Strategic Framework

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

National Development Plan (NDP)

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

Industrial Policy Action Plan (IPAP)

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

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

National Tourism Sector Strategy (NTSS)

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

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

6.4.3.2 Provincial policy framework

State of the Province Address (SOPA)

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

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

Provincial Strategic Plan (PSP)

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

These are:

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

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

The focus areas for VIP 2 are:

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

Wesgro contributes to the achievement of VIP2: Growth and Jobs and has developed its 5-year strategy and the achievement thereof to the creation of an enabling environment which fosters economic growth and job creation. In terms of the current COVID-19 environment and economic climate, Wesgro has doubled down on its effort to economic and export growth.

Western Cape Recovery Plan

The Recovery Plan is built on four themes:

1. COVID-19 Recovery: The pandemic will be with us for the foreseeable future; existing measures must continue, and new ones put in place to deal with disruptors to the economy and service delivery.
2. Jobs: The economic impact of COVID-19 has been severe. We can only recover if our economy grows and our citizens generate income.
3. Well-being: Government must ensure that the basic human needs of our citizens are realised, as guaranteed in the Constitution.
4. Safety: This is the overarching theme for the Provincial Strategic Plan, and it is equally relevant going forward. It is inextricably linked with well-being, as Safety cannot be achieved if basic human needs are not met.

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

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



Working continuously to innovate in the new working regime for both Wesgro and industry for economic recovery



Alignment with the WCG recovery plan especially for jobs recovery and critical sector growth and recovery



Double-down on investments, exports or tourism initiatives that can create sustainable jobs and best position the Western Cape



Collaboration with public & private sector to optimise the use of resources to harness opportunities & major issues



Spearheading the use of technology to reconnect, support and promote



Continuous & enhanced engagement with private sector to identify opportunities, challenges, blockages & support requirements

Western Cape Recovery Plan – Wesgro’s economic growth and job creation targets:

Strategic Context	Aligned Intervention	Implications (Strategic, budgetary and or targets)
Prioritised interventions linked to Western Cape Recovery Plan	Boost investment	To recruit and facilitate between R1,96bn and R2,85bn committed investment into the Province, resulting in between 698 and 1 490 jobs.
		To recruit and facilitate between R1,97bn and R2,91bn film and media productions brought into the Province, resulting in between 2 964 and 3 591 FTE jobs.
	Boost exports	To recruit and facilitate between R2,97bn and R4,25bn trade agreements, resulting in between 551 and 721 jobs, and R265m and R590m Outward Foreign Direct Investment (OFDI).
		To market Cape Town and the Western Cape and support tourism destination marketing initiatives with an estimated economic value of R515m and R824m.

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

Investments

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

Exports

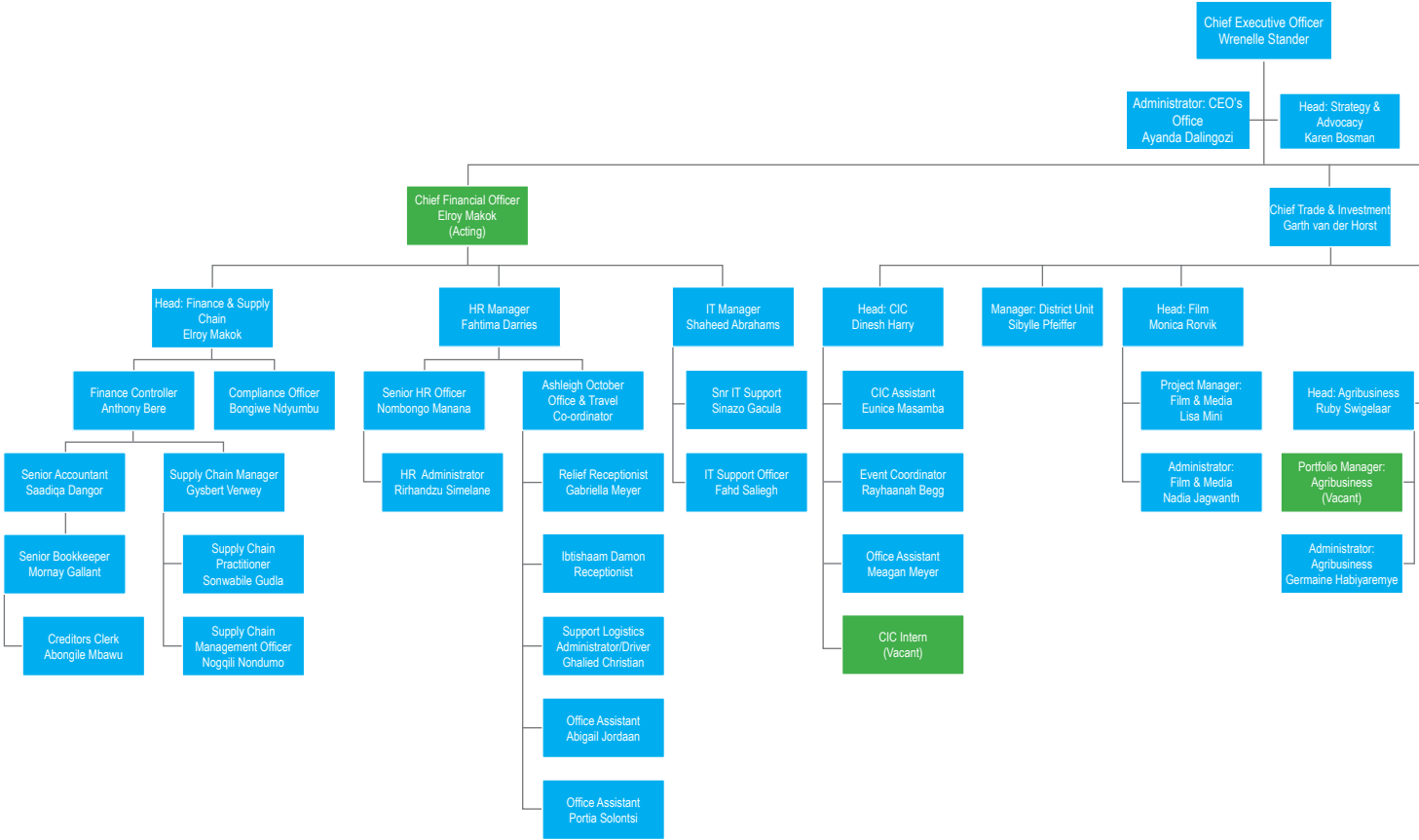
- Stimulate the growth of key sectors such as Business Process Outsourcing, tourism, agriculture and agri-processing.
- Assist firms in moving up the product and services complexity continuum.
- Improve productivity in key tradeable sectors through all the instruments at the government’s disposal.
-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

7. Organisational structure

Wesgro is a Schedule 3C public entity, as stipulated in the Public Finance Management Act, Act 1 of 1999 (PFMA), and is managed by a board of directors appointed by the executive authority. The table below provides a list of the Wesgro Board members in 2021/22.

Table 1: Wesgro Board Members	
Name	Title
Mr. Michael Spicer	Chairperson (deceased)
Mr. David Green	Chairperson (Vice Chairperson until 24 March 2022)
Mr. Ian Bartes	Director/Chairperson of the Audit, IT and Risk Committee
Mr. Paul Bannister	Director
Ms. Andrea Böhmert	Director
Mr. John Copelyn	Director
Mr. Geoffrey Jacobs	Director
Mr. Sazi Ndwandwa	Director
Mr. Johannes van Rooyen	Director
Mr. Solly Fourie	Ex-Officio Member of the Board representing the Provincial Government of the Western Cape
Mr. Lance Greyling	Ex-Officio Member of the Board representing the City of Cape Town/Chairperson of the Human Resource and Remuneration Committee
Councillor Nicholas Louw	SALGA Representative to the Board
Executive Mayor Francois Du Rand	SALGA Representative to the Board
Ms. Wrenelle Stander	Chief Executive Officer

7.1 Organogram



LEGEND

FILLED

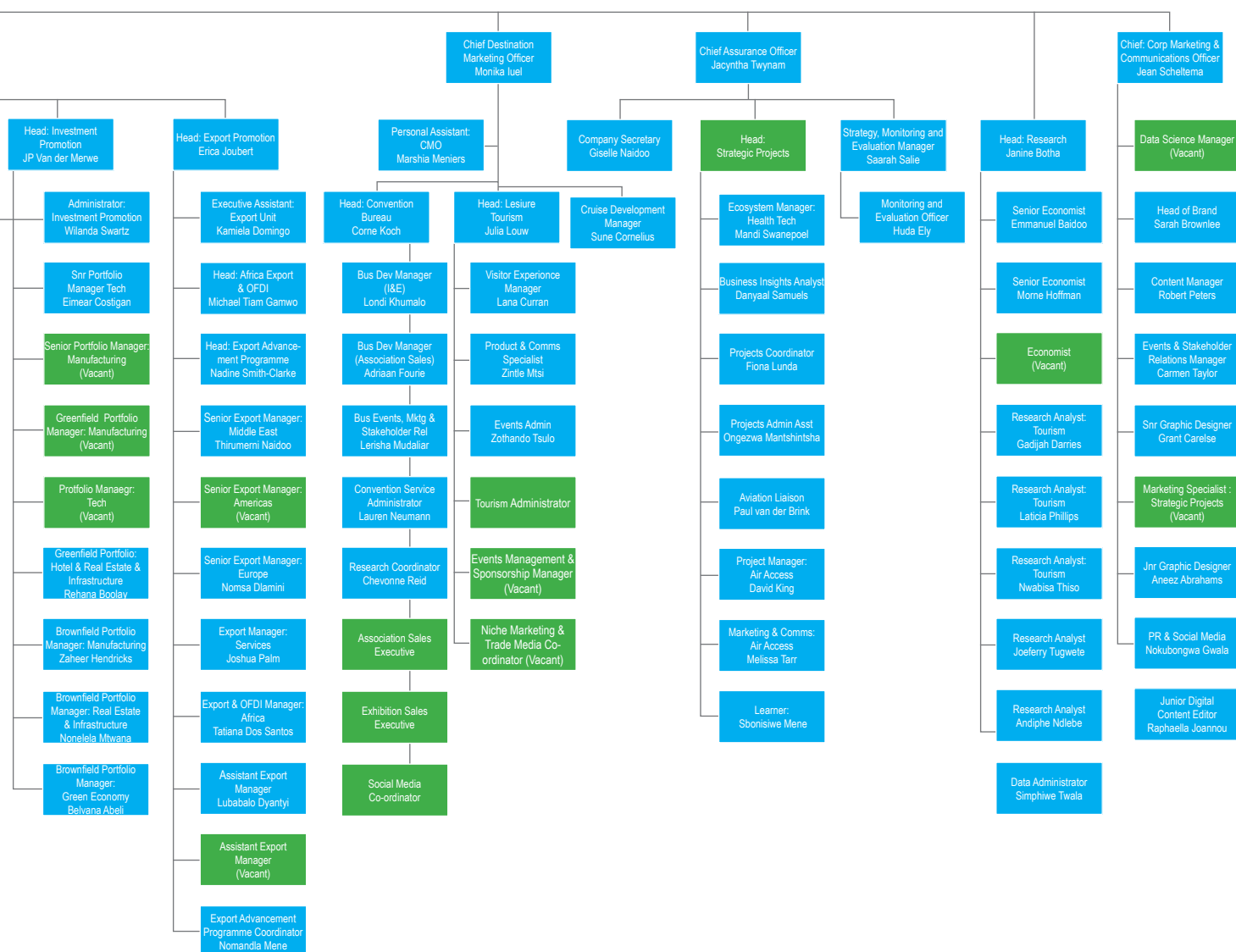
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VACANT

18

ESTABLISHMENT

112









Part B

Performance Information

Part B: Performance Information

1. Auditor's report: predetermined objectives

The Auditor-General South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under paragraphs 17 – 22 of the auditor's report.

See page 96 of the auditor's report, contained in Part E of this report.

2. Situational analysis

2.1. Service delivery environment

During the 2021/22 financial year, the Agency achieved an estimated economic impact of over R8.8bn and created 5 179 jobs. The COVID-19 pandemic has had an impact on the ability of the various delivery units, particularly as it relates to cross-border restrictions globally implemented by governments to curb the spread of the virus resulting, particularly, in lockdown of residents and flight restrictions.

The Agency committed a total of eight investment projects with an investment value of over R5.990bn, resulting in the creation of 4 445 jobs. The Agency continues to focus on building a robust project pipeline, and has adopted a targeted, data-driven approach to investment promotion.

Through increased efforts in driving global exports and the facilitation of outward foreign direct investment (OFDI), the Agency performed well during the period under review. A total of 61 trade promotion business agreements were signed, with an estimated economic impact of over R2.002bn, resulting in 320 jobs. In addition, three OFDI projects were committed to the value of R330m.

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

The Agency has confidently pursued its mandate to promote the Province and the City of Cape Town as preferred business and tourism destinations through the implementation of various tourism destination marketing initiatives. During the period under review, the Destination Marketing Organisation programme achieved an estimated economic impact of R264m. The Convention Bureau secured 18 conference bids.

The Agency has emphasised the importance of research-driven planning and lead generation. The Research team assists the Agency in achieving its mandate by providing economic research and market intelligence to support the work of tourism, export, investment and film, and for the use of Wesgro clients. During the financial year under review, the Agency produced 114 publications.

As part of its strategy, the Agency focussed on building the Cape's business brand, the provincial tourism destination brand and the Wesgro brand. A number of reputation management and knowledge building initiatives were implemented. During the financial year under review, the Agency generated a total value of over R104m media coverage (measured using Advertising Value Equivalents).

The Film and Media Promotion Unit seeks to promote the City of Cape Town and the Province as a preferred filming destination. Through increased efforts to promote these destinations and grow the industry, the Agency secured eight film and media production declarations, to the value of over R288m, and created a total of 274 full-time equivalent (FTE) jobs.

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

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

Table 2: Overall estimated economic impact and jobs created in 2021/22		
Programme	Estimated economic impact (R)	Jobs
Investment promotion (including agribusiness)	5 990 248 400	4 445
Export promotion	2 002 624 571	320
Outward Foreign Direct Investment (OFDI)	330 000 000	140
Tourism destination marketing	264 000 000	-
Film and media promotion	288 348 270	274
Total	8 875 221 241	5 179

2.2. Organisational environment

With the institutionalisation and operationalisation of the 5-year strategy, which focusses on growth, job facilitation and marketing the destination, the Agency has pursued continued effectiveness through the implementation of various initiatives. This was particularly challenging due to the disruptions caused by the COVID-19 pandemic. The Agency is continuously reviewing the strategy and identifying shortcomings and ensuring that the required mitigation strategies are in place to circumvent non-performance.

Key factors relating to the organisational environment that had an impact on Wesgro:

- Wesgro's former CEO, Tim Harris, resigned in June 2021 and the new CEO, Wrenelle Stander commenced their duties in October 2021.
- There was a high staff turnover in the Investment Promotion unit during the second half of the financial year resulting in a large number of vacancies and the requirement to recruit replacement staff as soon as possible.

SWOT Analysis

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

Strengths	Weaknesses
<ul style="list-style-type: none"> • Agile • Almost 40 years' proven track record • Established global brand in economic diplomacy • Sector and market specialists in the investment, trade, film, leisure and business tourism teams • Strong capability in facilitating market access • Track record in promoting outward investment into the rest of Africa • Responsive research and thought leadership capability • Good relationships with Local, Provincial, National and Global Partners • Strong academic institutions • Political support 	<ul style="list-style-type: none"> • Broad Agency mandate - financially under-resourced to deliver optimally on its mandate • Uncompetitive remuneration relative to other agencies and private sector - staff retention a challenge • No permanent physical presence in key foreign markets • Compliance culture requires improvement • Weak systems to effectively retain the Agency's intellectual property

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 Impact of geopolitical conflicts on trade, growth and innovation 	<ul style="list-style-type: none"> Lack of collaboration between role players Negative perceptions of SA that affect confidence in the destination The impact of climate change on the economy and long-haul travel patterns Increasing pressure on economic infrastructure Exchange rate fluctuations and inflationary pressures Safety and security issues (perceived and real) High level of youth unemployment Skills development in line with changing industry needs Manufacturing sector not a focus in the province Tourism ecosystem requires rebuilding post COVID (SA Tourism, funding at local level, domestic airlift capacity and airlift pricing) Energy crises

2.3. Key policy developments and legislative changes

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

2.4. Strategic outcome-oriented goals

The Agency has made significant strides towards the achievement of its strategic goals by adopting an outcomes-based approach focussed on results. From the commencement of the 2016/17 reporting cycle to 2020/21, the Agency committed a total of 73 projects with an investment value of R15.38bn, facilitating a total of 6 054 jobs.

Aimed at increasing the value of global exports and assisting companies in expanding into Africa, the Agency has adopted a more proactive approach, which has yielded positive results. A total of 305 trade agreements were signed, with an estimated export value of over R25.3bn, facilitating 3 095 jobs for the period 2016/17 to 2020/21. In addition, the Agency committed 32 OFDI projects, with an investment value of R2.4bn for the same period.

To promote the region as a preferred tourism and business destination, the Agency implemented and supported various tourism initiatives. Aligned to the Western Cape Government's key areas of focus, the Agency has delivered on specific initiatives that contribute to regional growth and job creation. The Agency supported a total of 110 tourism destination marketing initiatives, with an estimated economic value of R2.88bn for the period 2016/17 to 2020/21.

Furthermore, the Agency is committed to building a globally competitive film sector within the Province and has implemented a robust strategy aimed at strengthening the sector and attracting productions to the province. The Agency also signed a total of 33 film and media declarations, with an estimated value of over R6.2bn, facilitating a total of 8 806 FTE jobs for the period 2016/17 to 2020/21.

Table 3: Strategic outcome

Strategic outcome	To grow the Western Cape economy through investment, export, tourism and film promotion.																																							
Outcome statements	<p>It is envisaged that the Agency will achieve the following deliverables for 2020/21 to 2024/25:</p> <ul style="list-style-type: none">To recruit and facilitate between R10.11bn and R14.71bn committed investments into the Province, resulting in between 3 705 and 7 691 jobs.To recruit and facilitate between R16.70bn and R25.04bn trade agreements, resulting in between 2 840 and 3 716 jobs, and R1.36bn and R3.09bn Outward Foreign Direct Investment (OFDI).To market Cape Town and the Western Cape and support tourism destination marketing initiatives with an estimated economic value of R2.65bn and R4.24bn.To recruit and facilitate between R10.13bn and R17.82bn film and media productions brought into the Province, resulting in between 15 246 FTE jobs and 18 472 FTE jobs.To build a strong regional economic brand with an estimated rand value of R398.1m AVE. <p>Over the next five-years, the Agency will generate between R39.61bn and R61.82bn, resulting in the facilitation of between 21 791 and 29 879 jobs, as follows:</p> <table><tr><th>Programme</th><th colspan="2">Estimated economic impact (R)</th><th colspan="2">Jobs</th></tr><tr><th></th><th>Lower band</th><th>Upper band</th><th>Lower band</th><th>Upper band</th></tr><tr><td>Investment promotion</td><td>10 116 558 285</td><td>14 710 022 588</td><td>3 705</td><td>7 691</td></tr><tr><td>Export promotion (including OFDI)</td><td>16 707 850 394</td><td>25 040 781 957</td><td>2 840</td><td>3 716</td></tr><tr><td>Destination Marketing</td><td>2 654 567 905</td><td>4 247 308 648</td><td>-</td><td>-</td></tr><tr><td>Film and media promotion</td><td>10 131 489 646</td><td>17 823 207 056</td><td>15 246</td><td>18 472</td></tr><tr><td>Total</td><td>39 610 466 231</td><td>61 821 320 250</td><td>21 791</td><td>29 879</td></tr></table> <p>*The 5-Year Achievement targets are cumulative and take into consideration the current context of the South African economy and the international trade climate.</p>					Programme	Estimated economic impact (R)		Jobs			Lower band	Upper band	Lower band	Upper band	Investment promotion	10 116 558 285	14 710 022 588	3 705	7 691	Export promotion (including OFDI)	16 707 850 394	25 040 781 957	2 840	3 716	Destination Marketing	2 654 567 905	4 247 308 648	-	-	Film and media promotion	10 131 489 646	17 823 207 056	15 246	18 472	Total	39 610 466 231	61 821 320 250	21 791	29 879
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	Film and media promotion	10 131 489 646	17 823 207 056	15 246	18 472																																			
Total	39 610 466 231	61 821 320 250	21 791	29 879																																				
Baseline	<p>During the 2020/21 financial year, the Agency attracted and facilitated direct investment, film and media deals, export agreements and tourism initiatives with an estimated economic impact of over R9.6bn and 2 600 direct jobs created.</p> <ul style="list-style-type: none">A total of 17 investment projects with an investment value of R4.37bn was committed, resulting in the creation of 1 830 direct jobs.A total of 66 export promotion business agreements were signed, with an estimated economic impact of R4.66bn, resulting in 357 direct jobs. Also, seven OFDI projects were committed to the value of R727.75m.A total of seven film and media production declarations were secured, to the value of R612m, which created a total of 413 FTE jobs.A total of 15 tourism destination marketing initiatives, with an estimated economic impact of R487m and R121m of advertising value equivalent (AVE) was generated for corporate communication and tourism.																																							
Links	Wesgro plays a pivotal role in investment and trade promotion, and marketing Cape Town and the Western Cape as a tourism and film destination. The Agency's five-year deliverables are aligned to the Provincial Strategy Plan 2019 – 2024 and the Recovery Plan in terms of creating 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 to ensure that the principles of good corporate governance are implemented.

3.1.1 Programme structure

Sub-programme 1.1: Financial management

Effective financial management is aimed at ensuring the upholding of the legislative requirements of the Agency. It also ensures 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 has to comply with the Public Finance Management Act 1 of 1999 and the Public Service Act. The IT sub-programme focusses 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 ensures that the Agency becomes the employer of choice and maintains an excellent, 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. The sub-programme also ensures that all legislative compliance with regard to human resource management is adhered to.

Sub-programme 1.4: Governance and Compliance

The Governance and Compliance sub-programme is responsible for the implementation of an integrated approach, which takes into account results-based implementation and direct alignment to Wesgro strategic direction, monitoring and evaluation, corporate governance, board compliance and the requisite support to the CEO.

Strategic outcome

Strategic Outcome	
Strategic outcome	Enhance good governance practices through compliance with prescribed financial and non-financial regulations and guidelines.
Outcome statement	An unqualified Audit report with no material findings.
Baseline	The Agency achieved a clean audit for the 2019/20 financial year.
Justification	The concept of value for money is an integral part of the strategic and operational activities. Corporate Services identifies and implements interventions to achieve value for money that will improve service delivery, eliminate wasteful allocation of resources, enhance public confidence and ensure compliance.
Links	This objective is linked to the Public Finance Management Act (PFMA), National Treasury Regulations, Provincial Treasury Instructions, King IV in terms of good governance and integrated service delivery through partnerships and spatial alignment.

Strategic objectives, performance indicators, planned targets and actual achievements

During the financial year under review, the Corporate Services Unit implemented the necessary systems and processes to ensure compliance with the relevant legislative prescripts in terms of expenditure and supply chain management, and performance management. The agency received a Qualified Audit opinion for the 2021/22 financial year. The final budget and annual performance plan for the 2022/23 financial year were completed and submitted as per the legislative requirements.

The Agency has updated the IT infrastructure and streamlined various processes to enhance operational efficiency. Desktop support continued to respond to IT support queries timeously due to the implementation of efficient processes.

The annual inflationary staff increase of 5% was approved by the Wesgro Board and effected on 1 April 2022. The Agency ensured that the performance agreements for the 2021/22 financial year were signed, and identified training needs were implemented, subject to the available budget. As part of the implementation, the Agency also assisted staff members by allocating funds to their postgraduate studies, which will further assist in developing them professionally. The updated organisational design review is currently in progress and is expected to be implemented by 30 September 2022. This forms part of the Agency's retention strategy.

The external audit was completed successfully and signed off. The Agency continued with the non-remuneration of performance management initiated two years ago in line with the applicable cost containment measures.

The Agency submitted progress reports and corporate plans to the relevant stakeholders as legislatively required. The Agency was invited to appear before the Standing Committee on Economic Opportunities, Tourism and Agriculture and the Standing Committee on Public Accounts to present the Annual Report for the 2020/21 financial year. The report was well received. In addition, the Agency appeared before the Standing Committee on Finance, Economic Opportunities and Tourism to table the 2021/22 budget for Vote 12.

Wesgro managed three key strategic projects during the financial year, namely:

- Cape Town Air Access
- Cruise Cape Town; and
- Cape Health Tech Initiative

The Cape Town Air Access project aimed to increase air connectivity between Cape Town International Airport (CTIA) in order to increase the competitiveness of the Western Cape. The project is a collaboration between Wesgro, Department of Economic Development and Tourism (DEDAT), City of Cape Town (CoCT), Airports Company of South Africa (ACSA), South African Tourism (SAT) and Cape Town Tourism (CTT). The project was successful in supporting the resumption of flights to CTIA during the pandemic and also the expansion of routes to increase flight frequencies between CTIA and major global hubs.

The Cruise Cape Town project is focused on growing the cruise economy of Cape Town and the Western Cape. The project is a collaboration between Wesgro, DEDAT, CoCT, South African Maritime Safety Authority (SAMSA), Transnet Ports Authority (TNPA) and the V&A Waterfront. The project saw the opening of the cruise season during December and strong cruise performance throughout with support from the project team.

The Cape Health Tech Initiative is co-funded between DEDAT and CoCT. The project was successful in positioning and promoting Cape Town and the Western Cape as a health tech hub. The project also continued to support the health tech industry with access to key government and regulatory stakeholders.

Strategic objective

Wesgro obtained a Qualified Audit Opinion for the 2021/22. In 2020/21 and 2019/20, the entity received Unqualified Audit reports with findings.

Key performance indicators, planned targets and actual achievements

Programme 1: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Qualified Audit Opinion	Financial, SMC, IT, HR and M&E outputs	Positive financial viability rating	-	4	4	4 (Good)	-	-
		Percentage achievement of annual budgeted operational expenditure	-	98%	98%	87%	-12%	Reduced activity and spend due to implementation of hybrid working for the Agency in compliance to the COVID-19 protocols.
		Achieve maximum Broad Based Black Economic Empowerment (B-BBEE) spend	-	72%	70%	87%	17%	The Agency registered with the training SETA and improved its skills development score and gained points in the scorecard.
		Percentage B-BBEE spend on black owned suppliers	-	64%	60%	54%	-6%	Due to budget constraints the Agency was cautious on tender prices and expenditure thereof.
		Percentage payment deviation from awarded contracts	-	7%	10%	0,02%	-9,8%	This is a positive deviation as the Agency complied with and honoured the contract terms.
		Submission of the annual Procurement Plan	-	1	1	1	-	-

Programme 1: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
		Number of reports evidencing the maintenance of the Agency's ICT environment	-	4	4	4	-	-
		Percentage of employee satisfaction	80%	86%	80%	-	-	Survey was not conducted in 2021/22 financial year and will commence in the 2022/23 financial year.
		Percentage of annual total salary cost spent on training of staff and internship opportunities	-	1%	1%	0.01%	-0.9%	Due to the national lock-down for most part of the current financial year, there was very little staff training conducted.
		Percentage of people from the employment equity target groups employed in compliance with the entity's approved EE plan	-	73%	79%	76%	-3%	The Agency had very little staff turnover, so we could not make the target through natural attrition.
		Number of M and E performance reports submitted	5	8	8	8	-	-

Strategy to overcome underperformance

The Corporate service team is committed ensuring that Wesgro continues to be a leading sub-national trade, tourism and investment promotion Agency by implementing programs that ensure Wesgro has engaged staff able to support a digitally enabled and client focused Agency.

The Agency has developed an audit turn around strategy in order to improve the audit outcomes for the 2022/23 financial year.

Changes to planned targets

No targets have been adjusted during the financial year.

Linking performance with budget

Programme	2021/22			2020/21		
	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	18 872	25 973	(7101)	20 718	19 379	1 339
Total	18 872	25 973	(7101)	20 718	19 379	1 339



3.2. Programme 2: Investment Promotion

Purpose

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

Programme structure

Wesgro attracts direct investment to the Western Cape from international, national and local sources by providing the following services: Investment recruitment, Business Growth Services unit, Advocacy, and special projects (i.e., Agribusiness Investment Unit, One Stop Shop, and District Unit).

Strategic outcomes

Strategic outcomes	
Strategic outcomes	Facilitate investment and jobs into the Western Cape.
Outcome statements	To recruit and facilitate between R10,11 billion and R14,71 billion committed investments into the Province, resulting in between 3 705 and 7 691 jobs.
Baseline	A total of R2,24 billion investments was committed, resulting in 1 485 jobs during the 2019/20 financial year.
Justification	The facilitation of investment projects into the Western Cape is a core function of Wesgro and it is imperative that the Agency remain consistent and a leader in investment generation.
Links	The objective is aligned to VIP 2: Economy and jobs, the National Development Plan and Vision 2030 in relation to economic growth and industry development.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit realised a total of eight investment projects, to the value of R5 990 248 400, against a target of R1.90bn-R2.77bn. This resulted in the creation of 4 445 jobs.

Table 4: Committed investment projects 2021/22

Company	Source country	Broad sector	Rand value (R')	Jobs	District
Amdec Group	South Africa	Real Estate & Infrastructure	5 000 000 000	4000	City of Cape Town
Chipper Cash	USA	ICT	74 658 400	50	City of Cape Town
PFNonwovens	Czech Republic	Manufacturing	600 000 000	37	City of Cape Town
Name withheld (confidential)	South Africa	Real Estate	105 000 000	38	City of Cape Town
Khaltsha Cycles	South Africa	Manufacturing	7 000 000	50	City of Cape Town
Micaffe Milano	South Africa	Agribusiness	9 590 000	158	City of Cape Town
Name withheld (confidential)	South Africa	Agribusiness	0	72	Cape Winelands
Name withheld (confidential)	South Africa	Agribusiness	194 000 000	40	Garden Route
Total			5 990 248 400	4 445	

During the 2021/22 financial year, the Unit recruited a total of 97 new quality investment projects into the project pipeline. Through the adoption of a more proactive approach to targeting investors locally and internationally, the Unit exceeded the annual target for project recruitment. The Unit also held 45 engagements with Municipalities in the province to assist with promoting and attracting investments in the region. In the agribusiness sector, the Unit recruited seven new quality investment projects into the project pipeline. Further to this, the Unit held 25 engagements with Sector Development Agencies, attended 16 industry events and 107 corporate engagements.

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

A total of 10 webinars and events were hosted to position the Western Cape as an attractive investment destination, and to share specialist insights with existing investors to support the retention of their businesses through the pandemic.

Special projects – InvestSA One Stop Shop: Western Cape

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

Purpose

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

Performance overview

The Unit facilitated a total of 19 regulatory approvals. 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 19 regulatory issues resolved during the period under review:

Table 5: Regulatory issues resolved 2021/22			
Company	Source country	Broad sector	Partner organisation
Bio Cannabis	South Africa	Agri Business	CIPC
Juwi	South Africa	Energy Services	DHA / VFS
Teckpack	South Africa	Packaging	DoL
Soccerise	South Africa	Sports Equipment	DoL
Name withheld (confidential)	Switzerland	Construction	SARS
Cape Dreams	South Africa	Agri Business	SARS
Costpac	South Africa	Manufacturing	SARS
Name withheld (confidential)	South Africa	Agri Business	NRCS
Elbeth Gillis	South Africa	Clothing and Textiles	SARS
Hydroliq	South Africa	Construction	The Dtic
Oude Moulen	South Africa	Agri Business	SARS
Toronto Group	South Africa	Manufacturing	SARS
Cenfri	South Africa	Business Services	SARS
YeboTech	South Africa	ICT	SARS
EMRIN	South Africa	Manufacturing	SARS
SolarMD	South Africa	Manufacturing	SARS
Tramper Technology	Netherlands	Manufacturing	SARS
Rewoven	South Africa	Clothing and Textile	DoL
Patient Medical Care	South Africa	Medical Services	SARS

Special projects – District Unit

Purpose

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

Performance overview

The focus of the Unit is to build relationships building with municipalities and private sector outreach with a view to developing the project pipeline across Wesgro's business units. The unit conducted 73 local and district municipal engagements, 102 corporate engagements and 44 provincial government engagements during the financial year. 24 new quality investment projects have been recruited by the District Unit into the project pipeline. Furthermore, the District Unit facilitated a three-year partnership agreement between Wesgro and the Garden Route District Municipality with a focus on investment promotion, exports and tourism.

Strategic outcome

The total five year outcome target for the period 2020/21 to 2024/25 is to recruit and facilitate between R10.11bn and R14.71bn in committed investments into the Western Cape, resulting in between 3 705 and 7 691 jobs. The annual outcome target for 2021/22 in attracting committed investments into the province is between R1.96bn and R2.85bn and between 698 and 1 490 jobs. The actual achievement for 2021/22 is R5.990bn in rand value of investments 4 445 jobs attracted in the province.

In the 2019/20 financial year, the entity attracted R2.24bn in rand value of investments into the Western Cape and facilitated 1 485 jobs. In 2020/21 the entity achieved R4.37bn in rand value of investments with 1 830 jobs attracted in the province.

Key performance indicators, planned targets and actual achievements

Programme 2: Investment Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Rand value of committed investment into the Province	Investment projects realised	Number of investment projects realised	18	17	14-18	8	-5	Global Foreign Direct Investment (FDI) has decreased due to COVID19 constraints. Lead generation activity was limited due to travel restrictions, however, the rand value and jobs targets were exceeded.
No. of jobs facilitated from committed investments into the Province								

Strategy to overcome areas of underperformance

The Unit remains committed to building a robust investor pipeline and improving investment 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	2021/22			2020/21		
	Budget	Actual expenditure	(Over-)/ Under-expenditure	Budget	Actual expenditure	(Over-)/ Under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Investment promotion	10 340	5 731	4 609	10 233	6 203	4 030
Total	10 340	5 731	4 609	10 233	6 203	4 030



3.3. Programme 3: Export Promotion

Purpose

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

Programme structure

The programme is divided into two sub-programmes, namely:

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

Sub-programme 3.1: Trade promotion

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

Sub-programme 3.2: African expansion (OFDI)

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

Strategic outcome

Strategic outcome	
Strategic outcome	To promote and facilitate global exports of goods and services from qualified companies in the Western Cape.
Outcome statements	To recruit and facilitate between R16,70 billion and R25,04 billion trade agreements, resulting in between 2 840 and 3 716 jobs, and R1,36 billion and R3,09 billion Outward Foreign Direct Investment (OFDI).
Baseline	A total value of R3,08 billion trade agreements were committed, resulting in 973 jobs. A total value of R428,75 million foreign direct investment was committed for the 2019/20 financial year.
Justification	By promoting and facilitating exports, the economy of the Western Cape will grow and continuous job creation will be sustained. In addition, exposure to markets will increase demand for brands.
Links	The objective is linked to VIP 2: Economy and jobs, the National Development Plan and Vision 2030 in relation to economic growth and industry development.

Strategic objectives, performance indicators, planned targets and actual achievements

During the financial year under review, the Unit signed a total of 61 business agreements, with an estimated economic value of R2 002 624 571, resulting in 320 jobs.

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

Table 6: Global exports 2021/22						
No of Agreements	Company	Source country	Broad sector	Rand value	Jobs	District
1	Totally Wild (Pty) Ltd	Germany	Organic	5 000 000	0	City of Cape Town
2	Name withheld (Confidential)	Indonesia	Agriculture	40 000 000	0	Cape Winelands
3	Cool Ice-Cream Dogs	UAE	Agri-processing	1 000 000	7	City of Cape Town
4	Winelands Pork	Angola Namibia Mozambique	Agri-processing	200 000 000	50	City of Cape Town
5	Six Dogs Distillery (Pty) Ltd	South Korea	Agri-processing	2 160 000	0	Cape Winelands
6	Herbs-Aplenty	Poland	Agri-processing	6 000 000	4	Cape Overberg
7	Cape Honeybush Tea	France	Agri-processing	1 500 000	9	Garden Route
8	Name withheld (Confidential)	Singapore	Agri-processing	15 000	0	City of Cape Town
9	Anura Wines (Pty) Ltd	Russia	Agri-processing	16 500 000	0	Cape Winelands
10	Elbeth Gillis Bridal	EU & UK	Clothing Sector	8 000 000	5	City of Cape Town
11	Delecta Fruit (Pty) Ltd	Poland	Agri-processing	14 000 000	0	Cape Winelands

Table 6: Global exports 2021/22

No of Agreements	Company	Source country	Broad sector	Rand value	Jobs	District
12	Fynbos Fine Foods	USA	Agri-processing	72 250 000	20	Cape West Coast
13	Rush Nutrition (Pty) Ltd	Canada	Agri-processing	300 000	1	City of Cape Town
14	So African Natural Oils	Germany	Agri-processing	2 000 000	4	City of Cape Town
15	Robinson-Sinclair	Germany	Agri-processing	1 752	0	City of Cape Town
16	Name withheld (Confidential)	London	Agri-processing	10 000 000	8	City of Cape Town
17	Name withheld (Confidential)	USA	Agri-processing	85 000 000	10	City of Cape Town
18	Afriplex (Pty) Ltd	Spain	Pharmaceuticals	8 000 000	5	Cape Winelands
19	Name withheld (confidential)	Canada	Agri-processing	3 000 000	5	City of Cape Town
20	Goedgedacht Trading (Pty) Ltd	USA	Agri-processing	2 065 000	15	Cape West Coast
21	Destinations Direct & Zwinoni Lodge	Cote d'Ivoire	Hospitality & Tourism	858 000	9	City of Cape Town
22	Name withheld (Confidential)	Cameroon	Manufacturing	100 000 000	2	City of Cape Town
23	Grandeur Interiors	Cote d'Ivoire	Services	14 000 000	20	City of Cape Town
24	La Ricmal cc	Ethiopia	Agri-Processing	1 250 000	15	City of Cape Town
25	Colvic Marketing & Engineering	Cote d'Ivoire	Services	20 000 000	4	City of Cape Town
26	Name withheld (Confidential)	Ethiopia	Agri-Processing	3 000 000	0	City of Cape Town
27	Elbeth Gillis Bridal	UK & EU	Textile (Wedding Dresses)	8 000 000	1	City of Cape Town
28	Robinson & Sinclair	Russia	Agri-Processing	1 500 000	0	City of Cape Town
29	Franschoek Marketing (Pty) Ltd	Poland	Agri-Processing	55 000 000	0	Cape Winelands
30	Rush Nutrition	Middle East	Fresh Produce	1 080 000	0	City of Cape Town
31	Bivalve Shellfish Farmers' Association of SA	China	Agri-Processing	126 965 675	30	Cape West Coast
32	Robinson & Sinclair	USA	Agri-Processing	800 064	0	City of Cape Town
33	Cape Five Export (Pty) Ltd	Poland	Agri-Processing	2 900 000	0	City of Cape Town
34	Robinson & Sinclair	Poland	Agri-Processing	80 000	1	City of Cape Town
35	Robinson & Sinclair	Germany	Agri-Processing	50 000	0	City of Cape Town
36	Noble Hill Wines Pty Ltd	South Korea	Agri-processing	2 000 000	0	Cape Winelands
37	Name withheld (Confidential)	China	Agri-processing	10 000 000	0	City of Cape Town
38	Cape Honeybush Tea Company	Germany	Agri-processing	6 000 000	0	Garden Route
39	MPECS South Africa	Ghana	Agri-processing	6 500 000	0	City of Cape Town
40	Rhodes Food Group	Ghana	Agri-processing	100 000 000	0	Cape Winelands
41	Gettha Travel and Tours	Gabon	Services	10 000 000	3	City of Cape Town
42	Gettha Travel and Tours	Cote d'Ivoire	Services	5 000 000	2	City of Cape Town
43	Magna Carter Wines Pty Ltd	South Korea	Agri-processing	1 200 000	2	City of Cape Town
44	Thokozani Winelands Investments	China	Agri-processing	82 450	0	Cape Winelands
45	Bayede Pty Ltd	USA	Agri-processing	340 000	0	Cape Winelands
46	Holden Manz Wine Estate	Ghana	Agri-processing	300 000	0	Cape Winelands
47	Nice Beverage Company	Ghana	Agri-processing	2 500 000	4	City of Cape Town

Table 6: Global exports 2021/22

No of Agreements	Company	Source country	Broad sector	Rand value	Jobs	District
48	Stellenview Premium Wines Pty Ltd	Ghana	Agri-processing	2 500 000	0	Cape Winelands
49	Thokozani Winelands Investments	Ghana	Agri-processing	130 000	0	Cape Winelands
50	EmmaySA	Middle East	F & B	1 000 000 000	0	City of Cape Town
51	Herbs-Aplenty (Pty) Ltd	Germany, EU	Agri-processing	10 000 000	3	Cape Overberg
52	Name withheld (Confidential)	Netherlands	Agri-processing	7 500	0	City of Cape Town
53	Name withheld (Confidential)	Russia	Agri-processing	5 500 000	0	City of Cape Town
54	The Fishwives Club Boutique Winery	UK	Agri-processing	3 315 000	3	City of Cape Town
55	Name withheld (confidential)	Canada	Agri-processing	15 000 000	0	City of Cape Town
56	Best Spirits of Africa	Germany & Nigeria	Agri-processing	3 100 000	75	City of Cape Town
57	Herbs-Aplenty (Pty) Ltd	Germany, EU	Agri-processing	1 500 000	3	Cape Overberg
58	Rush Nutrition	Saudi Arabia	Agri-processing	200 000	0	City of Cape Town
59	Woody's Consumer Brands	Ghana	Agri-processing	779 130	0	City of Cape Town
60	Jan Harmsgat	USA	Agri-processing	3 000 000	0	Cape Winelands
61	Rush Nutrition	USA	Agri-processing	1 395 000	0	City of Cape Town
TOTAL				2 002 624 571	320	

In addition, the Agency committed a total of three OFDI projects to the value of R330m. The table below provides a breakdown of the declarations signed:

Table 7: Outward Foreign Direct Investments (OFDIs) 2021/22

No.	Company	Source country	Broad sector	Rand Value	Jobs	District
1	Name withheld (confidential)	Ethiopia	Manufacturing	50 000 000	20	City of Cape Town
2	MK Enterprises (Pty) Ltd	Cameroon	Agribusiness	200 000 000	100	City of Cape Town
3	MKABAYI GROUP	Kenya	Agri-Processing	80 000 000	20	City of Cape Town
TOTAL				330 000 000	140	

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

- The EAP programme supported companies by addressing all aspects of the export process through theory and practical methodologies. Modules cover orientation to export, preparing to export and developing an export marketing plan, financial risk management, and export costing and logistics. 7 (seven) training sessions were provided during the year under review to both the metro and municipal districts within the province. Three export courses were offered to the companies in the metro, with a total of 66 companies attending. Four export courses were completed in the Winelands, Overberg, West Coast and the Garden Route. A total of 55 companies attended the training.
- Export one-on-one mentorship provided companies with practical guidance to refine their businesses as export ready companies. 15 exporters based in the Metro and 20 exporters in the municipalities completed the programme.
- Business Development Mentorship (PUM) is a Dutch mentorship programme for Western Cape companies needing business guidance on process improvement to boost exports. Skills transfer is tailored to the exporter's requirements, which are enhanced by the PUM mentors' extensive global experience. Due to COVID, the mentors who usually travel from the Netherlands could not do so. All the interventions were completed virtually, and 11 exporters were able to benefit from this programme.

Strategic Objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to recruit and facilitate between R16.70bn and R25.04bn in trade agreements, resulting in between 2 840 and 3 716 jobs, and between R1.36bn and R3.09bn in Outward Foreign Direct Investment (OFDI) resulting in between R16.70bn and R25.04bn in trade agreements including OFDI.

The annual outcome target for 2021/22 in estimated rand value of trade agreements signed is between R2.97bn and R4.25bn, and the number of jobs facilitated is between 551 and 721. The actual achievement for 2021/22 is over R2.002bn in rand value of trade agreements signed and 320 jobs. In the 2019/20 financial year, the entity attracted R3.08bn in in Rand value of trade agreements signed and facilitated 973 jobs. The actual achievement for 2020/21 was R4.66bn in Rand value of trade agreements signed and 357 jobs.

The annual outcome target for rand value of OFDI declarations signed is between R265.2m and R590m. The actual achievement for 2021/22 is R330m. In the 2019/20 financial year, the entity achieved R428, 75m in OFDI and R727m in 2020/21.

Key performance indicators, planned targets and actual achievements
Sub-Programme 3.1: Export Promotion

Sub-Programme 3.1: Export Promotion							
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22
Estimated Rand value trade agreements signed							
Number of jobs facilitated from trade agreements signed	Trade agreements signed	Number of trade agreements signed	37	66	45-65	61	16
<p>Even though number of trade agreement target has been met, rand value and jobs created is lower than expected. Challenges include:</p> <p>Job retention environment (not job creation) with exporter feedback that indicated they are trying to keep the employees they have, and not growing teams at the moment given environment</p> <p>Importers are risk adverse and exporters have reported smaller import orders than usual</p> <p>Travel restrictions – WC exporters were unable to travel to meet existing and potential clients – impacting numbers of export deals, as well as size. Wesgro export team largely unable to travel (except into Africa) to support export promotion initiatives</p> <p>Challenges with Port – exporters struggling to get their products into market</p>							

Sub-Programme 3.2: African Expansion (OFDI)

Sub-Programme 3.2: African Expansion (OFDI)							
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22
Rand value of committed outward foreign direct investment (OFDI) declarations signed	Outward foreign direct investment (OFDI) signed	Number of outward foreign direct investment declarations (OFDI) signed	7	7	7	3	-4
Reasons for deviations							
Given the current climate, and inability to travel for the last couple of years, our WC businesses reported that it is more difficult to motivate to expand their business and are rather focused on ensuring current operations in South Africa (and abroad if they have) are supported.							

Strategy to overcome underperformance

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

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2021/22			2020/21		
	Budget	Actual expenditure	(Over-)/ Under-expenditure	Budget	Actual expenditure	(Over-)/ Under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Export promotion	14 693	15 689	(996)	15 519	12 442	3 077
Total	14 693	15 689	(996)	15 519	12 442	3 077



3.4. Programme 4: Wesgro Research

Purpose

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

Programme structure

The programme is not divided into sub-programmes.

Strategic outcome

Strategic outcome	
Strategic Outcome	Develop relevant tourism, trade and investment publications and provide customised research to support the core functions of the Agency.
Outcome statement	Develop content for publications relevant to the sectors and markets of Wesgro, the Province and the City, and produce customised research, aimed at strengthening the Agency's position as a thought leader.
Baseline	104 publications were produced during the 2019/20 financial year.
Justification	Publications inform and guide the Agency, exporters and investors.
Links	The objective is linked to the Agency's 5-year Strategic Plan.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit produced a total of 114 publications during the financial year under review.

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

Table 8: Publication type	
Bespoke Reports	16
Country Fact Sheets	21
District Fact Sheets	5
Investment Reports	1
Regional Fact Sheets	6
Sector Reports	2
Socio Economic Reports	2
Tourism Reports	48
Trade & Investment Reports	13
Total	114

The Wesgro Research Unit completed 414 information requests in the financial year. The information requests were completed at an average turnaround time of 1,318 days. While the nature of these requests differed, they could be broadly categorised into the following groups: company and contact information; DSM model reports; economic data and analysis; exchange rate analysis; foreign direct investment data and trends; media requests and enquiries; tourism data, information and trends; and trade data and trends.

In addition to this, the Research Unit completed 43 ad-hoc research requests in the 2021/22 financial year.

A total of 26 presentations took place with clients and stakeholders during the financial year.

Strategic Objectives

The annual outcome target for 2021/22 is 100 research reports downloaded and distributed, and the entity exceeded its target by developing and distributing 114 research reports. Similarly, in 2020/2021, the entity exceeded its target from 100 research reports developed to achieve 110.

Key performance indicators, planned targets and actual achievements

Programme: Research						
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22
Number of research reports downloaded and distributed	Research reports produced	Number of research reports developed	104	110	100	114
						Deviation from planned target to Actual Achievement 2021/22
						14
						Reasons for deviations
						Publication schedule plus demand driven with latter resulting in Unit exceeding output target

Strategy to overcome underperformance

N/A

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2021/22			2020/21		
	Budget	Actual expenditure	(Over-)/ Under-expenditure	Budget	Actual expenditure	(Over-)/ Under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Research	3 856	2 237	1 619	4 002	2 586	1 416
Total	3 856	2 237	1 619	4 002	2 586	1 416



3.5. Programme 5: Marketing and Communication

Purpose

To conduct the marketing and communications for Wesgro corporate and investment, export, tourism and film.

Programme structure

The programme is divided into two sub-programmes, namely:

Sub-programme 5.1: Positioning the Agency and the destination. To improve the position of the Agency and the destination with shareholders, citizens, and domestic and international businesses, as follows:

- Assistance with 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 print) 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 outcome

Strategic outcome	
Strategic outcome	Profile and position the Agency through its core mandates of investment, export, tourism and film.
Outcome statement	To build a strong regional economic brand with an estimated rand value of R398,1 million AVE.
Baseline	A total of R58,37 million in AVE was generated during the 2019/20 financial year.
Justification	By positively managing the reputation of the Agency and the destination, we will attract more interest in the Cape and help improve economic growth and job creation.
Links	This objective is linked to the Agency's 5-year Strategic Plan.

Strategic objectives, performance indicators, planned targets and actual achievements

Although it was another financial year impacted by the COVID-19 pandemic, the Unit has performed well and shown innovative ways to market Cape Town and the Western Cape. A total of 67 strategic corporate events were hosted, including both virtual and hybrid formats. These events allowed Western Cape businesses and the media to understand the opportunities available in the province. These events spanned tourism, trade, investment, film and Cape Town Air Access, and involved partners and stakeholders at all levels of government. The Unit generated an impressive R104m in AVE, due to the array of marketing initiatives implemented throughout the year. The achievement is also due to the ramping up of digital efforts in a new world of cluttered communication.

The Marketing and Communications Unit hit 2021 running. The “Remote Work” campaign included deepening the efforts to position the destination for digital nomads, driving long stay domestic tourism into the regions by actively promoting the province as the preferred destination to work and play. An Airbnb partnership marked the beginning of the effort and was supported by a Google Search campaign as well as a LinkedIn campaign targeting business stakeholders locally. Working with the DMO, the team worked to launch the Remote Work Portal – a central hub – listing everything from different accommodation options, to how best to get around, to co-working spots available throughout the province.

Looking to stay top of the consideration list in key overseas markets, the international ‘Neverending Tourist’ campaign went live in early 2021. The digitally-led campaign demonstrates how the region is the perfect antidote to lockdown life and encourages visitors to come and ‘get in a good space’ – the campaign by-line. Kicking off with key markets, the collateral features German and Dutch expats who came to the Western Cape on holiday, fell in love with the destination, and never left. Using authentic voices to rally fellow countrymen in the forementioned markets, the collateral depicts the neverending tourists exploring the wide-open spaces they love most. The marketing effort continued with a native Public Relations (PR) partnership with CondeNast, a TripAdvisor collaboration and a media push through to consideration phase for the audience later in the year. To date the hero video has gained 2.3 million views on YouTube. The UK ‘Neverending Tourist’ campaign – the second video in the International ‘Neverending Tourists’ series – was released in mid-December, to welcome South Africa’s removal off the UK red list.

The Unit lead the creation of a ‘Film in Cape Town and the Western Cape’ AV – produced and launched at the popular South By Southwest (SXSW) Festival. Showcasing the dramatic locations our inspiring province has on offer, world-class animation, VFX and post-production facilities, as well as the talented and diverse sub-sectors of the Creative Industries sector of the Western Cape, the AV was shared with the local film sector to help create awareness of the world-class film offering available in our province. The film won a prestigious Gold Dolphin award at the Cannes Corporate Media & TV Awards.

On the investment side, the Unit produced an ‘Uncomfortable Messaging Guidebook’ to assist local government entities and businesses with difficult messaging regarding the destination – topics ranged from political uncertainty to taxi strikes, loadshedding and more. The guidebook was shared with the World Bank who declared the document an example of Investment Promotion Agency’s (IPA) best practice, and has since been shared with the Ethiopian IPA. The guidebook was also well received by CapeBPO, who has since passed the playbook onto its members.

The Unit also generated a 10 Reasons to Invest video with the latest destination proof points for teams to use in-market and meetings. A partnership with the JSE magazine saw the value proposition of the InvestSA One Stop Shop showcased at airport lounges and in investor presentations. The Unit worked with the IP team to hold another successful virtual and physical stand at the President’s Investment Summit in Johannesburg.

The year saw a major disruption as the SA variant was announced. Significant broadcast media was achieved for Wesgro’s reputation management lobbying efforts alongside industry partners and Eterna Communications for the removal of Cape Town and the Western Cape off the UK red list. Coverage included interviews on Cape Talk, eNCA, eTV and SABC locally. International coverage included but was not limited to: Financial Times, the Independent, and the Telegraph UK.

On the international awards front, the Unit performed exceptionally well. ‘Chasing Lines’ tourism video continues to bring home international awards, with the film claiming the following four awards over the year: 1. Terres Travel Festival – Films & Creativity 1st place in “Tourism Products – Expeditions and Discovery”. 2. Silafest – 2nd place in Blue Danube for “Promotion of the Region”. 3. International Tourism Film Festival, Cappadocia, Turkey – Silver award in “Tourism Destination – Regions”. 4. A gold medal awarded to the film at New York Festivals TV & Film Awards.

The Cape Health Tech Innovators series was shot and managed by the Unit. Telling investors why the destination is a premium health tech investment opportunity, the series features world-class university leaders and local health tech pioneers, and has been excellently received, generating international investment leads for one of the companies featured. The work deepens the already established “Pioneers” brand, which seeks to shine a light on companies doing innovative things in the destination. The Pioneers magazine is now in its 5th edition.

Wesgro’s Yearly Annual Review Showcase Event was organized by the Unit. The Agency hosted a successful Annual Review with key

partners and stakeholders in attendance. Themed 'Unlocking Opportunity in a Brave New World', the event saw the first public address from newly appointed Wesgro CEO, Wrenelle Stander, who outlined her vision for the agency, with Professor Thuli Madonsela delivering a powerful keynote address to those in attendance.

Once again the country was hit by crisis when the Omicron variant was announced. Wesgro set up and chaired the "Omicron Reputation Management Task Team" – including members from Wesgro, DEDAT, Western Cape Government and the Department of the Premier. The Task Team response to Omicron included the creation of a Traveller FAQs page to assist international visitors with up-to-date information on international flights and boarding safety requirements. To bid departing visitors a safe return home and encourage them to return when restrictions lift, the team designed and printed 2400 postcards which were distributed at Cape Town International airport. Furthermore, the same postcards along with a bottle of premium Groot Constantia Wine were delivered to passengers aboard the MS Europa – the first cruise ship to return to South African waters since the start of the pandemic. The ship was stationed at the Cape Town Port Terminal and passengers were not allowed to disembark on their holiday as they had planned.

Reputation management work was at the forefront of the Unit's efforts during this period. To closely monitor and control the developing narrative around the Omicron variant, the MCU aligned key messaging and a united response to the variant. A dashboard was used to track online conversations for insights. Significant broadcast media achieved for Wesgro's efforts in response to the Omicron variant, with media coverage achieved on CapeTalk, Smile FM, IOL, TimesLive, Die Burger and other key publications.

2022 saw a return of physical events once again. The Unit was challenged with organising the "US/Western Cape One Year Celebratory Trade and Investment Partnership Event" in just two short weeks. The event saw 300 attendees at the Premier's residence, Leeuwenhof – a mix of key business stakeholders, CEO's, political partners and over 20 exhibitors (Coca-Cola, Krispy-Kreme, Starbucks, Cape Honeybush Tea, Lubanzi Wines and more) came together for what was a very successful celebration and networking session. The Weekend Argus, FIN24 and SMILEFM were also in attendance.

The Western Cape Government's strategic plan for the next 5 years identifies growing exports as a fundamental component to economic recovery. Perhaps the most notable achievement for the year for the Unit was the strategy and development of the "Made in the Cape" exports brand, which took months of planning and complex collaboration. By creating a unified provincial exports brand, the Unit tapped into the global shift towards 'region of origin' strategies in a disrupted marketplace. Made in the Cape was brought to fruition by early January 2022 and drives to the CapeTradePortal.com – a virtual matchmaking platform for buyers and sellers – for conversion. Looking to deepen and boost the brand story of the Cape as a region of origin of quality goods and services, the Unit developed a brand story video, digital asset collateral and robust digital marketing roll-out. To re-enforce key attributes of quality, sustainability, value, and trust – approved local exporters can download the white label marketing collateral from the portal, all of which can be utilised in their respective marketing efforts. A targeted paid media effort in the UK, drives buyers to the Cape Trade Portal, where they are able to gain a wealth of knowledge on the Cape's goods and services and contact approved sellers. To date, the digital effort has reached more than 10 million people and driven more than 100 000 clicks to the CapeTradePortal.com. The Unit is excited to develop the brand into the US market in the upcoming year.

Strategic Objectives

The total five year outcome target for the period 2020/21 to 2024/25 in rand value of the advertising value equivalent (AVE) generated for the agency is R398.1m. The annual outcome target for 2021/22 is R77.2m. The actual achievement for 2021/22 is R104m. In the 2019/20 financial year, the entity generated R58.37m in AVE and R121m in 2020/21.

Key performance indicators, planned targets and actual achievements

Programme 5: Marketing and Communication								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Rand value of the advertising value equivalent (AVE) generated for the Agency	Corporate events supported	Number of corporate events supported	57	99	20 – 45	67	47	The unit exceeded its target due to the increased digital landscape which meant that more events could be held virtually to meet the demand.
	Content management	Quarterly reports evidencing content management of Agency collateral	-	4	4	4	-	-

Strategy to overcome underperformance

N/A

Changes to planned targets

No targets were adjusted during the financial year.

Linking performance with budgets

Programme	2021/22			2020/21		
	Budget	Actual expenditure	(Over-)/ Under-expenditure	Budget	Actual expenditure	(Over-)/ Under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Marketing and communication	7 522	9 850	(2 328)	7 851	6 156	1 695
Total	7 522	9 850	(2 328)	7 851	6 156	1 695



3.6. Programme 6: Destination Marketing Organisation (DMO)

Purpose

The purpose of the DMO is to promote the Western Cape internationally and domestically to increase the number of visitors. The DMO markets the destination by focussing on business 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 Western Cape.

Programme structure

The programme also aligns to the Provincial Tourism Mast Plan and the National Department of Tourism's five-year strategy. The Programme is structured to create demand and awareness of the Western Cape as a tourism destination.

The programme is divided into three sub-programmes:

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

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

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

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

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

- Sport and Adventure Tourism promotion
- Culture and Heritage promotion
- Food and Wine Tourism promotion
- Cape of Great Events promotion
- Domestic Tourism promotion

The Leisure Unit places emphasis on:

- The creation of demand through marketing activities, with a key focus on domestic and international tourism marketing campaigns.
- 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).

In growing Business Events, the Unit places emphasis on:

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

Strategic outcomes

Strategic outcome	
Strategic Outcome	Enhance the attractiveness, awareness and accessibility of the of region and drive conversion.
Outcome statement	To market Cape Town and the Western Cape and support tourism destination marketing initiatives with an estimated economic value of R2,65 billion – R4,24billion.
Baseline	An estimated value of R935,63 million was generated from tourism initiatives supported for the 2019/20 financial year.
Justification	Wesgro's strategic mandate is to conduct tourism marketing and promotion for Cape Town and the Western Cape.
Links	The objective is linked to VIP 2: Economy and jobs, and the strategic plan of the Department of Economic Development and Tourism.

Strategic objectives, performance indicators, planned targets and actual achievements

The entire 2021/22 year was again impacted by the COVID-19 pandemic and the related lockdowns, travel restrictions and gathering size limitations, affecting both leisure and business tourism in a stop-start way. The work in the DMO continued to focus on remaining top of mind in the domestic and in key international markets, and providing business support, advocacy, and engagement opportunities for the tourism industry, whilst preparing for the restart.

Leisure

Some of the Leisure unit's highlights included the production and launch of Business to Consumer (B2C) campaigns in Germany, Holland, and the UK ("The Neverending Tourists"), showcasing the Western Cape as a place that expats from those markets visited on holiday, and telling us in their own words what made them fall in love with the place to such an extent that they never left. The campaign included digital media spend as well as native PR partnerships.

The Leisure Unit also had several other highlights, including the hosting of the Ndlovu Youth Choir and assisting the crew whilst in Cape Town to shoot their Africa Rising video. This was the first time the destination participated in this event, which formed part of Youth Day. By hosting the Choir, the unit enabled them to experience Cape Town and the Western Cape as well as showcase the landscapes on offer, which were shot during the music video. This was also the first video shot by the Ndlovu Youth Choir on Robben Island.

Another highlight for the unit was the return of an in-person Wine Tourism Conference, where Wesgro was the headline sponsor and speaker. The conference brought the wine industry together under the umbrella of excellent speakers, a shared vision for recovery and to enhance our wine tourism industry offering, to maximise our Great Wine Capitals membership.

The Best of Wine Tourism Awards saw the most entries received since the start of Wesgro's membership of Great Wine Capitals. The entrants were adjudicated by specialist judges a very successful awards ceremony was held at Creation wine farm, bringing together all the winners. Wesgro is also the first member of Great Wine Capitals to create a winners video, interviewing all winners and showcasing the destination. This was well received by other member cities and considered to be the setting a new standard for the BOWT awards.

The unit continued to ramp up efforts in supporting leisure events, as these were crucial to the survival of the domestic market, particularly in smaller towns across the province, in order to increase regional spread.

The Leisure Unit has had an increased focus on promoting the Cape Cycle Routes, as well as the Cradle of Humankind itinerary, all as a part of our Niche Tourism Marketing efforts.

Our continued effort to support our tourism / trade partners / stakeholders in both the private and public domain, have allowed for many engagements both in person and online. The DMO participated in advocacy work to encourage the lifting of travel bans for South Africa in our key source markets, in particular the UK Red List.

Our first in person roadshow to India since the start of the lockdown in March 2022, organised through South African Tourism, showed the signs of in-market recovery for trade shows and meeting engagements.

Additional key achievements for the financial year were the return of our Jewel events to full participation (COVID-19 regulations considered) and to have the Cape Town Carnival back on the city streets, very positive signs of the events industry's full recovery.

A first for the DMO was also the hosting of a RTO (Regional Tourism Office) forum which was inclusive of the LTOs (Local Tourism Offices) / LTAs (Local Tourism Associations). This will be a continued platform going forward, to ensure alignment and maximise our reach to all stakeholders.

Convention Bureau

Despite the pandemic and restrictions imposed on hosting events, the Convention Bureau still recorded continued interest in the destination and secured 18 new bids for the destination, with an estimated economic impact of R264m. Bids secured were from the medical sciences, educational, environmental and agricultural sectors. Although the bidding cycles has all been impacted by the COVID-19 pandemic the unit continues to actively promote the destination as a choice for hosting business events and submitted 53 new bids for prospective conferences. If converted the conferences will be held between 2022 and 2026. This ensures the continuous feeding of the pipeline for future business events for the destination if filled. This ensures that as a unit we continue to endeavour filling the pipeline for future business events for the destination.

It is important for the team to stay connected with the local supply chain, and they continued to conduct site inspections, received product updates and engaged with product on a continuous basis throughout the year. From a research and lead development perspective, 11 new association conference opportunities have been added as prospective bidding developments.

Securing the World Congress of the International Paediatric Nephrology Association (IPNA) for 2025 was certainly one of the highlights in terms of the bid schedule. The IPNA works to disseminate knowledge about kidney disease in children in the areas where care is needed most. The bid process was headed by the Clinical Unit for Renal and Organ Transplant at the Red Cross War Memorial Children's Hospital. During 2015, the destination hosted the 8th World Congress of Nephrology which assisted in attracting the 2025 bid.

As predicted by the nature of the pandemic, conferences are smaller in size and kept mostly regional. Interest in incentive travel to the Western Cape has increased steadily towards the end of the year, and the team submitted an increased amount of corporate incentive travel proposals.

To fulfil its promotional mandate, the unit participated in three international trade exhibitions (virtually and in person) as well as two roadshows (virtual and in-person). In addition, it engages on a continuous basis with its supply chain.

To stimulate short-and-medium-term recovery in the business events sectors of the Western Cape, the Convention Bureau launched a Business Events Support Programme. This is aimed at small to medium sized events, including conferences, workshops, incentive travel, exhibitions, and corporate meetings. Applicants must comply with set criteria, for example that the event must include one nights-accommodation and be a minimum of two days.

Various marketing and sales activities were conducted as part of its mandate. Meetings Africa 2022, a local trade show was hosted in February 2022 in Sandton. The Convention Bureau managed the provincial pavilion with eight sharing exhibitors from the private sector. Two post show tours were conducted for hosted buyers in Cape Town and in the Garden Route and Klein Karoo.

The team hosted an advisory panel session with selected individuals to brainstorm and test its new Leadership initiative, called LEAD. The LEAD initiative will emphasise the region's expertise and draw on its partners to strategise a coordinated approach in positioning the destination as the leading knowledge and business centre on the continent. The initiative was introduced to stakeholders during Meetings Africa 2022, which was met favourably.

Strategic Objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to market Cape Town and the Western Cape and support tourism destination marketing initiatives with an estimated economic value of R2.65bn and R4.24bn. The annual outcome target for 2021/22 is between R515m and R824m. The actual achievement for 2021/22 is R264m. In 2019/20 the entity achieved a total estimated economic value of tourism destination marketing initiatives supported of R935.63m and R487m in 2020/21.

Key performance indicators, planned targets and actual achievements

Programme 6: Destination Marketing Organisation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Total estimated economic value of tourism destination marketing initiatives supported	Tourism marketing initiatives supported	Number of tourism marketing initiatives supported	46	15	15	10	-5	Due to COVID-19 there were fewer destination marketing opportunities and initiatives to support as a result of the regulations.
	Joint marketing agreements secured	Number of joint marketing agreements secured	26	16	15	20	5	As the COVID-19 regulations became less restrictive as the year progressed, the Unit was able to leverage on an uptake of marketing activities presented by the travel industry. Q4 also allowed for more in-person events/conferences and marketing activities.
	Leisure events supported	Number of leisure events supported	49	34	35	53	18	As the COVID-19 regulations became less restrictive as the year progressed, the Unit was able to leverage on an uptake of events presented by the travel industry. As the regulations allowed more outdoor events to take place, the Unit as part of its recovery strategy, supported more outdoor domestic events to stimulate economic demand.

Programme 6: Destination Marketing Organisation								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	**Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Total estimated economic value of tourism destination marketing initiatives supported	Bids secured	Number of bids secured	52	15	15	18	3	Due to restrictive COVID-19 regulations, the Unit's strategy was focussed on the recovery of the domestic market as fewer international bidding opportunities were available. The Unit was able to exceed its target as a result.

Strategy to overcome underperformance

The indicator for “Number of tourism marketing initiatives supported” has not continued into the Annual Performance Plan for 2022/23 as the indicator is challenging to measure and verify from an outcome point of view.

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2021/22			2020/21		
	Budget	Actual expenditure	(Over-)/Under-expenditure	Budget	Actual expenditure	(Over-)/Under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
DMO	53 450	47 495	5 955	45 134	45 499	(366)
Total	53 450	47 495	5 955	45 134	45 499	(366)



3.7. Programme 7: Film and Media Promotion

Purpose

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

Programme structure

The programme is not divided into sub-programmes.

Strategic objective

Strategic outcome	
Strategic Outcome	To firmly establish a globally competitive film sector.
Outcome statements	To recruit and facilitate between R10,13 billion and R17,82 billion film and media productions brought into the Province, with between 15 246 FTE and 18 472 FTE jobs.
Baseline	A total value of R2,189 billion was committed in the film and media sector, resulting in 2 147 FTE jobs during the 2019/20 financial year.
Justification	Film is an important sector in the Western Cape and a major contributor to economic growth and jobs.
Links	The objective is linked to VIP 2: Economy and jobs. Furthermore, the objective is linked to the Department of Economic Development and Tourism's 5-year film and media strategy, the Cape Town Arts and Culture's 10-year strategy and the Cape Town Film Studios.

Strategic objectives, performance indicators, planned targets and actual achievements

The Unit signed a total of eight declarations to the value of R288m, resulting in the facilitation of 274 full-time equivalent (FTE) jobs. The table below provides a breakdown of the declarations signed:

Table 9: Media and film productions realised			
Company	Source country	Rand Value	Jobs
Name withheld (confidential)	USA	63 000 000	3 FTE
Name withheld (confidential)	Norway	5 000 000	0 FTE *
Name withheld (confidential)	South Africa	9 078 270	0 FTE *
Name withheld (confidential)	UK, USA, Germany, France	60 000 000	161 FTE
Name withheld (confidential)	UK, Germany, USA, France, Sweden, Netherlands, Belgium	120 000 000	38 FTE
Name withheld (confidential)	South Africa, and International (NDA)	19 000 000	60 FTE
Name withheld (confidential)	South Africa	11 000 000	11 FTE
Name withheld (confidential)	USA, Germany	1 270 000	1 FTE
Total		288 348 270	274 FTE

*Please note that some projects did not equate to a FTE job thus is rounded down to zero

International

Wesgro assisted 61 companies in the hybrid markets. These markets include Annecy and its Market – MIFA (June 2021), Cannes Marche du Film Market France (June 2020), Toronto International Film Festival (September 2021), European Film Market/Africa Hub at the Berlinale Film Festival (March 2022), Hong Kong Film Mart (March 2022), and South by South West – SXSW, Austin, USA (March 2022). The Unit also sent marketing collateral (virtual) with the Export, Investment and Tourism outbound missions, and to events with partner trade associations.

The unit assisted 30 companies to virtually attend the Durban Film Mart, and 10 to attend the Hong Kong Film Market. The Film Unit assisted but did not attend three companies to attend HOT DOCS, Canada.

National

Wesgro works with stakeholders at regional and national levels such the various departments and ministries whose work might impact the film industry, including the Departments of Home Affairs and International Relations with regard to driving the ease of doing business across all legislative and policy frameworks that impact the industry, Intellectual Property, Incentives, Visas and the ongoing issues with San Parks (together with DEDAT – Red Tape). Wesgro assisted the National Film and Video Foundation with the South African Film and TV awards judging process and its strategic planning process.

Overall, nine Film and Media hosted hybrid events and webinars took place with over 1000 attendees:

Film and Media hybrid events and webinars with over 1000 attendees		
No.	Date	Name
1	May 21	Film Legal Online Programme (Pre-Recorded and published online)
2	May 21	Annecy MIFA market upskilling
3	June 21	Filming Insights with CapeNature
4	August 21	Annual Locations Workshop Day 1-/ 2/ 3 (three two hour sessions)
5	September 21	Garden Route Film Readiness
6	September 21	Film and Tourism Recovery Strategies
7	February 22	Blue Ocean Masterclass (in person)
8	March 22	Africa Games Week Conference – hybrid
9	March 22	Silwerskerm Film Festival Conference with a Wesgro International Finance Masterclass

Inbound Missions

Overall, there were hybrid inbound missions facilitated with the industry programmes at the festivals and markets with delegates from at least 27 countries: Australia, Belgium, Belgium, Canada, France, Germany, Ghana, Greece India, Ireland, Ivory Coast, Kenya, Morocco, Namibia, Netherlands, Nigeria, Nigeria, Poland, Russia, Singapore, Spain, Swaziland, Switzerland, Tanzania, UK, USA, and Zimbabwe. Of course many came in person as well and were given face to face meetings – mostly from UK, USA Belgium, Germany and France.

Other Activities

The AV For Film and Media is well received and won a Gold Dolphin for Corporate Communications at the Cannes marketing awards in November. The Unit's new publication, namely, the Filmmakers Guide to the Western Cape, was published and the unit printed 200 copies for distribution to offices and important members of the inbound teams. There are ongoing mentions in the press and other professional trade publications. Progress on the Cape Town and Western Cape Creative Locations booklet 6th edition was finalized and published. 200 copies were printed and the digital version is widely distributed. The "A World Behind the Camera" book project continues and 50 copies were distributed to thought leaders, principals and for marketing the region to the world. It was officially launched in April 2021 and is receiving positive feedback. The Gaming research paper, namely, FOR THE WIN was published at Africa Games Week and was funded by international, national and regional partners, including Wesgro. It has been well received.

Strategic Objectives

The total five year outcome target for the period 2020/21 to 2024/25 is to recruit and facilitate between R10,13bn and R17,82bn film and media productions brought into the Province, resulting in between 15 246 FTE jobs and 18 472 FTE jobs. The annual outcome target for 2021/22 is between R1, 97bn and R2, 91bn in rand value of declarations signed and between 2 964 FTE jobs and 3 591 FTE jobs. The actual achievement for 2021/22 is R288m and 274 jobs.

In the 2019/20 financial year, the entity achieved R2.189bn and facilitated 2 147 FTE jobs. In 2020/21, R612m in rand value of film declarations was signed, creating 413 FTE jobs.

Key performance indicators, planned targets and actual achievements

Programme 7: Film and Media Promotion								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	** Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
Rand value of film and media productions brought into the Province	Film and media declarations signed	Number of film and media declarations signed	5	7	2 – 5	8	6	Received several declarations in part from the FIVA project

Strategy to overcome areas of underperformance

N/A

Changes required to planned targets

No targets were adjusted during the financial year.

Linking performance with budget

Programme	2021/22			2020/21		
	Budget	Actual expenditure	(Over-)/ Under-expenditure	Budget	Actual expenditure	(Over-)/ Under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Film and media promotion	3 540	3 248	292	3 540	3 194	346
Total	3 540	3 248	292	3 540	3194	346

4. Reporting on the institutional response to the covid-19

Wesgro did not receive funding for COVID-19 interventions from various relief packages therefore the table below is not applicable, however the Marketing and Communication Unit and Export Promotion Unit provide insights into how the Agency supported its stakeholders during this period.

Progress on Institutional Response to the COVID-19 Pandemic

Programme / Sub-Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
-	-	-	-	-	-	-	-	-

Marketing and Communication

For an agency like Wesgro, with almost every aspect of its mandate involving international economic activity, the COVID-19 pandemic changed everything. Yet the manner in which the Agency was able to adapt paid testament to the pioneering environment in which it is rooted. The Marketing and Communications Unit is a somewhat resilient unit in that it operates largely in the digital world. The COVID period accelerated this even further and the team worked to implement new and innovative ways to market.

The Cape Trade Portal and Made in the Cape Brand built on lessons learned during the COVID-19 lockdown. The scale and scope offered by digital platforms increases opportunities for exporters to connect with buyers. It builds on the Cape's reputation as an exporting powerhouse of premium, competitive, diverse and quality products and services. The CapeTradePortal.com platform was supported by the 'Made in the Cape' digital brand marketing campaign, officially launched in early 2022 by the Marketing and Communications team at Wesgro – in partnership with Western Cape Government and the City of Cape Town. The effort strengthens the Cape's brand identity across global markets with an initial priority focus on the province's top export markets internationally. By creating a unified provincial exports brand, the Marketing team tapped into the global shift towards 'region of origin' strategies in a disrupted marketplace.

Following on from the successful One Day Tourism Campaign, created during the hard lockdown in South Africa, the team brought the Neverending Tourism Campaign to life in the digital world. Keeping up with global trends, an AI/Machine-Learning element formed part of the campaign mechanics. The hero campaign video gained 2.4 million views on YouTube, ensuring that the Cape Town and Western Cape tourism brand remains prominent online for years to come. The effort works to ensure that our Search Engine Optimisation (SEO) remains best in class in a highly digitised world.

Internally, the Marketing and Communications unit put extra emphasis on digital media traction, to fight even harder for share of voice, and exceeded press coverage targets in a cluttered marketplace. Print copies were reduced and the team worked to provide 'low touch' options at events, with emphasis placed on the Wesgro website.

The Unit continues to win international awards for its efforts in a changing world.

Export Promotion

In response to COVID-19, Wesgro export unit successfully leveraged technology to expand the reach of export support services provided.

During the 2021-2022 financial year, the unit executed on 54 export and OFDI mission, of which 35 were virtual or hybrid.

The unit's export advancement programme (EAP) moved online in its entirety, with all export training courses and mentoring done virtually. During the most recent financial year, the unit hosted 7 export training courses, with a total of 121 emerging exporters attending, of which 46 received 1-1 mentoring as well.

Together with Wesgro's marketing team, the export unit launched the Cape Trade Portal (www.capetradeportal.com) in February 2022. The Cape Trade Portal is a virtual marketplace to connect exporters and importer 24-7. Additionally, the portal also hosts a resource centre for Western Cape exporters, where exporters have access to export tools, data and intelligence to support business on their export journey.

5. Revenue collection

Sources of revenue	2021/22			2020/21		
	Estimate	Actual amount collected	(Over-)/Under-collection	Estimate	Actual amount collected	(Over-)/Under-collection
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Treasury (DEDAT)	102 271	102 271	-	93 424	93 424	-
City of Cape Town	7 500	7 500	-	12 075	7 900	4 175
Project funding	34 184	34 184	-	29 613	29 613	-
Interest	1 480	1 205	275	1 000	519	481
Other income	1 223	2 152	(929)	790	586	204
Nett gain on disposal of assets	-	250	(250)	-	-	-
Total	146 908	147 562	(904)	136 902	132 042	4 860

5.1 Capital investment

N/A







Part C

Governance

Part C: Governance

1. Introduction

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

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

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

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

2. Executive authority

The 2021/22 Annual Performance Plan was submitted to the Minister responsible for Finance and Economic Opportunities (the Minister) in February 2021.

3. The accounting authority / board

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

Board Charter

The Board Charter was reviewed and approved by the Board.

Composition of the Board

Name	Designation (in terms of the Public Board structure)	Date appointed	Date resigned	Qualification	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended			
								Board	HRRNC	Audit, IT, Risk	Other*
								4	-	1	29
								5	-	8	13
Mr. Michael Spicer	Chairperson	Aug – 2014	Deceased (Mar-2022)	Masters	Business	-	-	4	-	1	29
Mr. David Green	Vice Chairperson	Aug – 2014	-	Honours	Business	2 Oceans Aquarium Zeitz Mocca V&A Waterfront Holdings (Pty) & V&A Waterfront Group of Companies The Hotel Company Waterway House Section 2	Member of the Audit, IT and Risk Committee	5	-	8	13
Mr. Ian Bartes	Board Member Audit Chairperson	Jun – 2014	-	Masters	Business & Marketing	Teach the Future SA Trusted Financial Planners Rudder4Life	Chairperson of the Audit, IT and Risk Committee	5	-	8	11
Mr. Paul Bannister	Board Member	Jun – 2014	-	Honours	Marketing and media	Ignite Strategies Bernload Investments Sun Trust	-	5	-	-	5
Ms. Andrea Böhmert	Board Member	Aug – 2014	-	Masters	Business	Knife Capital	Member of the Human Resources, Remuneration and Nominations Committee	4	2	-	2
Mr. John Copelyn	Board Member	Jun – 2019	-	Honours	Business and hospitality	1 Impala Road Properties (Pty) Ltd Africa Energy BFS Rental Trading Trust Blue Beacon Investments 240 (Pty) Braylon Investments (Pty) Ltd Cheersley Investments (Pty) Ltd Circumference Investments (Pty) Ltd					

Name	Designation (in terms of the Public Board structure)	Date appointed	Date resigned	Qualification	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended			
								Board	HRRNC	Audit, IT, Risk	Other*
Mr. John Copelyn	Board Member	Jun – 2019	-	Honours	Business and hospitality	Circumference Energy Holdings GP,LLC Circumference Energy Holdings LP Corjo Trust Curagen Investments (Pty) Ltd Deneb Investments Ltd E Media Holdings Ltd E Media Investments (Pty) Ltd FI Developments (Pty) Ltd FI Equity Group (Pty) Ltd Foothills Trading and Investment 8 (Pty) Ltd Fulela Trade and Invest 81 (Pty) Ltd Fulela Trade and Invest 96 (Pty) Ltd Gelprop (Pty) Ltd Glendal Trading (Pty) Ltd HCI Australian Operation HCI – Treasury (Pty) Ltd HCI Central Investments (Pty) Ltd HCI Coal (Pty) Ltd HCI Food and Beverage Investments (Pty) Ltd HCI Foundation Trust HCI Invest 14 Holdco (Pty) Ltd HCI Invest 15 Holdco (Pty) Ltd HCI Invest 17 Holdco (Pty) Ltd HCI Invest 19 Holdco (Pty) Ltd HCI Invest 20 Holdco (Pty) Ltd HCI Invest 21 Holdco (Pty) Ltd HCI Invest 22 Holdco (Pty) Ltd HCI Invest 25 Holdco (Pty) Ltd HCI Invest 3 Holdco (Pty) Ltd HCI Invest 6 Holdco (Pty) Ltd HCI Invest 7 Holdco (Pty) Ltd	-	5	-	2	

No. of Meetings attended	Other*	
	Audit, IT, Risk	
	HRRNC	
	Board	
Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)		
Board Directorships (List the entities)	HCl Investments Australia HCl Managerial Services (Pty) Ltd HCl Monte Precinct (Pty) Ltd HCl Niveus Holdco 1 (Pty) Ltd HCl Property Investments (Pty) Ltd HCl Property Investments 2 (Pty) Ltd HCl Renewable Energy Investments (Pty) Ltd HCl Sun Energy Three (Pty) Ltd HCl Sun Energy Two (Pty) Ltd HCl Vergenoegd (Pty) Ltd HCl Water One (Pty) Ltd HCl-Propco1 (Pty) Ltd HCl-The Palms (Pty) Ltd Highland Night Investments 93 (Pty) Ltd Hosken Consolidated Investments Ltd House 22 Ronald Avenue (Pty) Ltd IGI Investment Company Ltd Ilko Trust Impact Oil and Gas Jesse Dylon Copelyn Testamentary Trust Johnnic Casino Holdings (Pty) Ltd Johnnic Holdings Ltd Johnnies Strategic Investment Holdings (Pty) Ltd K2020855153 (South Africa) (Pty) Ltd Kalahari Village Mall (Pty) Ltd Karoshoek Solar One (Rf) (Pty) Ltd La Concorde Holdings Ltd Lennings Ltd Leopont 255 Properties (Pty) Leopont 261 Properties (Pty) Ltd	
Area of expertise		
Qualification		
Date resigned		
Date appointed		
Designation (in terms of the Public Board structure)		
Name		

No. of Meetings attended	Other*	
	Audit, IT, Risk	
	HRRNC	
	Board	
Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)		
Board Directorships (List the entities)	Leopont 262 Properties (Pty) Ltd Leyvan (Pty) Ltd Limitless Angel Fund (Pty) Ltd Lynnridge Shopping Centre (Pty) Ltd Maclyn House (Pty) Ltd Main Place Holdings Ltd Main Street 614 (Pty) Ltd Merilyn Investments (Pty) Ltd Metshef Investments 9 (Pty) Ltd Mirino Investments (Pty) Ltd Mironetix (Pty) Ltd Mironetix 2 (Pty) Ltd Mnombo Wethu Consultants (Pty) Ltd Montauk Holdings Ltd Montauk Renewables Move-On-Up 104 (Pty) Ltd Nexrealm Technologies (Pty) Ltd No 10 Groot Paternoster Private Nature Reserve CC Pearl Beach Investments (Pty) Ltd Permasolve Investments (Pty) Ltd Platinum Group Metals Ltd Riveprops 47 (Pty) Ltd Ronaldgate (Pty) Ltd SA Amalgamated Union Fishing (Pty) Ltd SACTWU Mining Investments (SPV) (Pty) Ltd Sturdee Trust The South African Apartheid Museum Freedom Park TIH Prefco (RF) (Pty) Ltd TIHC Investments (RF) Tsogo Investment Holding Company (Pty) Ltd Tsogo Sun Gaming Ltd Tsogo Sun Hotels Ltd	
Area of expertise		
Qualification		
Date resigned		
Date appointed		
Designation (in terms of the Public Board structure)		
Name		

Name	Designation (in terms of the Public Board structure)	Date appointed	Date resigned	Qualification	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended			
								Board	HRRNC	Audit, IT, Risk	Other*
						Tylon (Pty) Ltd Unit 1501 Twin Towers South (Pty) Ltd WH Press House Ltd					
Mr. Geoffrey Jacobs	Board Member	Mar – 2021	-	Masters	Business	The Caerus Effect	Member of the Human Resources, Remuneration and Nominations Committee	5	4	-	2
Mr. Sazi Ndwandwa	Board Member	Nov – 2021	-	Masters	Business	Dinaledi NPC Hlalisa Property Investments (Pty) GoldOurs (Pty) Ltd Sakwanda Construction (Pty) Ltd DHT Investments (Pty) Ltd Plett Ganse Vallei CC	Member of the Audit, IT and Risk Committee	3	-	1	-
Mr. Johannes van Rooyen	Board Member	Nov – 2017	-		Tourism, hospitality and business	Beacon Island Share Block Cabana Beach Share Block Sabie River Share Block Umhlanga Sands Share Block Drakensberg Sun Chalets Block	Member of the Audit, IT and Risk Committee	5	-	8	5
Ms. Mpumi Dweba- Kwetana	Board Member	Mar – 2021	Oct – 2021		Public Sector and economic development	-	-	2	-	-	-
Mr. Solly Fourie	Ex Officio Board Member	Jun – 2014	-	Masters	Public Sector and economic development	-	-	1	-	-	-
Mr. Lance Greyling	Ex Officio Board Member HRRNC Chairperson	Mar – 2015	-		Public Sector and economic development	Bulungula Incubator Cape Town Tourism Western Cape Economic Development Partnership Atlantis Special Economic Zone Company BlueCape	Chairperson of the Human Resources, Remuneration and Nominations Committee	4	4	-	-

Name	Designation (in terms of the Public Board structure)	Date appointed	Date resigned	Qualification	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of Meetings attended			
								Board	HRRNC	Audit, IT, Risk	Other*
								-	-	-	-
								1	-	-	-
								2	2	2	37
Independent committee members											
Mr. Paul Slack	Independent committee member	Jun – 2014		CA (SA)	CA (SA)	Member of Audit, IT and Risk Committee		-	-	6	-

* Other:

Chairperson's working group
 SCOPA meetings
 Public Accounts Committee meeting
 Quarterly meetings with Executive Mayor
 Meetings with CEO
 Meetings with Minister
 Internal audit meetings
 External audit meetings

Committees

Committee	No. of meetings held	No. of members	Names of members
Audit, IT and Risk Committee	8	5	Mr. Ian Bartes
			Mr. David Green
			Mr. Johannes van Rooyen
			Mr. Sazi Ndwandwa
			Mr. Paul Slack
Human Resources, Remuneration and Nominations Committee	4	3	Mr. Lance Greyling
			Ms. Andrea Böhmert
			Mr. Geoffrey Jacobs

Remuneration of Board members

Name	Remuneration (R)	Other allowance (R')	Other reimbursements (R')	Total (R)
Mr. Michael Spicer	215 772	-	-	215 772
Mr. David Green	128 304	-	-	128 304
Mr. Ian Bartes	115 734	-	-	115 734
Mr. Paul Bannister	34 992	-	-	34 992
Ms. Andrea Böhmert	46 656	-	-	46 656
Mr. John Copelyn	23 328	-	-	23 328
Mr. Geoffrey Jacobs	38 880	-	-	38 880
Mr. Sazi Ndwandwa	15 552	-	-	15 552
Mr. Johannes van Rooyen	81 648	-	-	81 648
Ms. Mpumi Dweba- Kwetana	-	-	-	-
Councillor Nicholas Louw	-	-	-	-
Executive Mayor Francois Du Rand	-	-	-	-
Independent committee members				
Mr. Paul Slack	23 328	-	-	23 328

4. Risk management

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

5. Internal control unit

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

6. Internal audit, IT and risk committee

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

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

Name	Director or external ¹ member	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Mr Ian Bartes	External	-	06/2014	-	8
Mr David Green	External	-	08/2014	-	8
Mr Johannes van Rooyen	External	-	11/2018	-	8
Mr Sazi Nwandwa	External	-	11/2021	-	1
Mr Paul Slack	External	-	06/2014	-	6

¹ The concepts of "internal" or "external" refers to a member of the Audit, IT and Risk Committee who occupies a position within the Agency.

7. Compliance with laws and regulations

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

8. Fraud and corruption

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

9. Minimising conflict of interest

All suppliers of goods/services to the value of over R30 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. Quarterly compliance reports are submitted to Provincial Treasury for review.

In addition, all employees and members of the Board are obliged to complete a declaration of interest on an annual basis.

10. Code of conduct

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

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

11. Board secretariat

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

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

12. Audit, IT and risk committee report

The final audit report will be included in the final report.

We are pleased to present our report for the financial year ended 31 March 2022.

Audit, IT and Risk Committee responsibility

The Audit IT and Risk Committee reports that it has complied with its responsibilities arising from section 51(f) of the PFMA and Treasury Regulation 3.1. The Audit, IT and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit, IT and Risk Committee Charter, has regulated its affairs in compliance with this charter, and has discharged all its responsibilities as contained therein, except that it has 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:

- HR and Payroll review
- Risk and Compliance workshop
- IT Governance and Assurance review (completed in Q1 2022/23)
- Performance Management review (completed in Q1 2022/23)
- Supply Chain Management review (completed in Q1 2022/23)
- Financial Discipline review (completed in Q1 2022/23)

The following were areas of concern:

- Leave management
- Supply Change Management compliance
- Regular financial reporting
- ICT system controls

All matters raised were resolved.

In-year management and monthly/quarterly reports

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 audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for the following:

- SCM Compliance
- Treatment of assets at end of useful life
- Compliance on Pre-determined objectives

The Audit Committee, although disappointed with the outcome despite our best efforts, 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-General.

The Audit Committee has a full understanding of the findings and confirms that the qualification is not related to fruitless and wasteful expenditure or fraud. The Audit Committee is committed to taking the necessary steps to address the findings raised and ensure that Wesgro returns to an unqualified audit report in the 2022/23 financial year.



Ian Bartes
Chairperson of the Audit Committee
Wesgro
30 August 2022



13. Standing committee resolutions

The Agency appeared before the Standing Committee on Public Accounts (SCOPA) to present the Annual Report 2020/21.

14. B-BBEE compliance information

The entity has made significant progress towards B-BBEE compliance for the 2021/22 financial year, however, it remains at level 8 accreditation.

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	No	It does not fall within the Wesgro ambit of responsibilities.
Developing and implementing a preferential procurement policy?	Yes	Wesgro bases its procurement on the National Treasury procurement as guided by the Treasury Regulation and the Preferential Procurement Policy Framework Act (PPPF).
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to Wesgro.
Developing criteria for entering into partnerships with the private sector?	No	It does not form part of the Wesgro mandate.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Limitation on the Wesgro budget does not provide for such awards.







Part D

Human Resource Management

Part D: Human Resources Management

1. Introduction

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

2. Human resources oversight statistics

Personnel cost by programme

Programme	Personnel expenditure ² (R)	Personnel exp. as a % of total exp.	No of employees	Average personnel cost per employee (R)
Convention Bureau	R3 186 832,64	5,64%	6	R531 138,77
Corporate Services	R11 110 580,65	19,66%	20	R555 529,03
Executive Management Unit	R4 894 148,19	8,66%	3	R1 631 382,73
Investment Promotion	R8 838 215,28	15,64%	16	R552 388,46
Leisure Tourism	R2 628 447,20	4,65%	7	R375 492,46
Marketing and Communication	R6 065 899,04	10,73%	8	R758 237,38
Research	R3 115 919,09	5,51%	9	R346 213,23
Strategic Projects	R8 134 467,10	14,39%	12	R677 872,26
Trade Promotion	R8 536 594,53	15,11%	14	R609 756,75
Total	R56 511 103,72	100%	95	R594 853,72

Personnel cost by salary band

Level	Personnel expenditure ³ (R)	% of personnel exp to total personnel cost (R)	No of employees	Average personnel cost per employee (R)
Top management	R7 611 915,10	13,47%	4	R1 902 978,78
Senior management	R9 906 759,08	17,53%	10	R990 675,91
Professionally qualified	R18 453 811,36	32,66%	24	R768 908,81
Skilled	R17 071 524,93	30,21%	39	R437 731,41
Semiskilled	R2 755 853,02	4,88%	11	R250 532,09
Unskilled	R711 240,24	1,26%	7	R101 605,75
Total	R56 511 103,72	100%	95	R594 853,72

² Personnel expenditure includes the provision for leave but excludes board remuneration

³ Personnel expenditure includes the provision for leave but excludes board remuneration.

Performance Rewards

Level	Performance rewards	Personnel Expenditure ('R000)	% of performance rewards to total personnel cost
Top management	1	274	0,48%
Senior management	0	0	0,00%
Professionally qualified	0	0	0,00%
Skilled	0	0	0,00%
Semiskilled	0	0	0,00%
Unskilled	0	0	0,00%
Total	1	274	0,48%

Training Costs

Programme	Personnel expenditure (R)	Training expenditure (R)	Training expenditure as a % of personnel cost	No of employees trained	Average training cost per employee (R)
Convention Bureau	R3 186 832,64	R7 454,23	0,23%	7	R1 064,89
Corporate services	R11 110 580,65	R31 188,01	0,28%	25	R1 247,52
Executive Management Unit	R4 894 148,19	R1 335,11	0,03%	3	R 445,04
Investment promotion	R8 838 215,28	R113 020,14	1,28%	21	R5 381,91
Leisure marketing	R2 628 447,20	R15 883,27	0,60%	10	R1 588,33
Marketing and communication	R6 065 899,04	R20 244,30	0,33%	10	R2 024,43
Research	R3 115 919,09	R43 689,34	1,40%	14	R3 120,67
Strategic projects	R8 134 467,10	R71 930,00	0,88%	19	R3 785,79
Export promotion	R8 536 594,53	R11 014,53	0,13%	15	R734,30
Total	R56 511 103,72	R315 758,93	0,56%	124	R2 546,44

Employment and vacancies

Programme	Approved posts	No of employees	Approved posts	No of employees	Vacancies 2021/22	% of vacancies
	2020/21	2020/21	2021/22	2021/22		
Convention Bureau	9	5	8	6	2	14,29%
Corporate services	21	21	21	20	1	7,14%
Executive Management Unit	4	4	3	3	0	0,00%
Investment promotion	14	11	23	16	7	50,00%
Leisure marketing	7	3	9	7	2	14,29%
Marketing and communication	13	12	8	8	0	0,00%
Research	10	9	9	9	0	0,00%
Strategic projects	27	23	14	12	2	14,29%
Export promotion	12	12	14	14	0	0,00%
Total	117	100	109⁴	95	14	-

⁴ Excludes 13 Board members.

Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	6	1	3	4
Senior management	15	9	8	16
Professionally qualified	16	7	8	15
Skilled	22	3	3	22
Semiskilled	15	-	-	15
Unskilled	3	4	2	5
Special projects	23	-	5	18
Total	100	24	29⁵	95

Reasons for staff leaving

Reason	Number	% of total no of staff leaving
Death	1	4,35%
Resignation	12	52,17%
Dismissal (operational requirements)	0	0,00%
Retirement	1	4,35%
Ill health	0	0,00%
Expiry of contract	7 ⁶	30,43%
Other	2	8,70%
Total	23	-

Labour Relations: Misconduct and disciplinary action

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

⁵ Including 5 terminations as a result of the closure of the Knysna office.

⁶ Including 5 terminations as a result of the closure of the Knysna office, contract dates were aligned to the date the office was scheduled to close.

Equity Target and Employment Equity Status

Levels	Male							
	Black African		Coloured		Indian		White	
	Target	Current	Target	Current	Target	Current	Target	Current
Top management	1	1	0	0	0	0	0	0
Senior management	0	0	2	1	0	0	0	0
Professionally qualified	4	4	1	1	2	1	5	5
Skilled	2	3	6	6	1	1	1	1
Semiskilled	1	1	3	1	0	0	0	0
Unskilled	0	0	0	2	0	0	0	0
Total	8	9	12	11	3	2	6	6

Levels	Female							
	Black African		Coloured		Indian		White	
	Target	Current	Target	Current	Target	Current	Target	Current
Top management	1	1	1	1	0	0	1	1
Senior management	1	0	1	1	1	0	8	8
Professionally qualified	2	2	4	4	2	2	5	5
Skilled	12	13	11	10	2	2	3	3
Semiskilled	6	6	5	3	0	0	0	0
Unskilled	1	2	2	3	0	0	0	0
Total	23	24	24	22	5	4	17	17

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









Part E

Financial Information

General Information

financial statements

for the year ended 31 March 2022

Country of incorporation and domicile	South Africa
Legal form of entity	Western Cape Tourism, Trade and Investment Promotion Agency Amendment Act, 2013
Nature of business and principal activities	The official tourism, trade and investment promotion agency for the Western Cape.
Non executive directors	Ian Bartes Paul Bannister David Green Sazi Ndwandwa Andrea Böhmert Nicholas Louw Francois Du Rand Johannes van Rooyen Geoffrey Alan Jacobs John Copelyn
Ex officio members	Wrenelle Stander Lance Greyling Solly Fourie
Registered office	18th Floor South African Reserve Bank Building 60 St George's Mall Cape Town 8001
Business address	18th Floor South African Reserve Bank Building 60 St George's Mall Cape Town 8001
Postal address	P O Box 1678 Cape Town 8000
Bankers	ABSA Bank
Auditors	Auditor - General of South Africa
Board secretary	Giselle Naidoo
Telephone	021 487 8600
Email	info@wesgro.co.za
Website	www.wesgro.co.za

Index

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

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Board's Responsibilities and Approval	95
Report of the Auditor General	96 – 100
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Statement of Financial Performance	103
Statement of Changes in Net Assets	104
Cash Flow Statement	105
Statement of Comparison of Budget and Actual Amounts for the year ending 31 March 2022	106
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The following supplementary information does not form part of the financial statements and is unaudited:	
Annexure A - Deferred Income	140 – 141
Annexure B - Other Notable Related Parties	142

Board's Responsibilities and Approval

for the year ended 31 March 2022

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

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

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

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

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

Going Concern

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

Subsequent Event

The directors are not aware of any matter or circumstances arising since the end of the reporting period other than raised in note 33.

The financial statements as set out on pages 102 to 139 for the period ending 31 March 2022, were approved by the Board of Directors in terms of section 51 (1) (f) of the PFMA and duly authorised for issue on 31 May 2022:



David Green
Chairperson



Wrenelle Stander
Chief Executive Officer

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Western Cape Tourism, Trade and Investment Promotion Agency set out on pages 102 to 139, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, statement of comparison of budget and actual amounts and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, 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 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Property, plant and equipment

3. The entity did not adequately review the useful lives of property, plant and equipment at each reporting date as required by GRAP 17, Property, plant and equipment. As a result, certain assets were still in use despite reaching zero carrying values or approaching zero carrying values. I was unable to determine the impact on depreciation, accumulated depreciation and the net carrying amount of property, plant and equipment as well as the comparative figures, as it was impracticable to do so.

Context for the opinion

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

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 2 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2022.

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 set out in Annexures A and B does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the board of directors for the financial statements

11. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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.

Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
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 programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Objective	Pages in the annual performance report
Programme 6– Destination Marketing Organisation(DMO)	55 – 60

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. The material finding on the usefulness and reliability of the performance information of the selected programme is as follows:

Programme 6– Destination Marketing Organisation (DMO)

Number of tourism destination marketing initiatives supported

20. The source information and method of calculation for achieving the planned indicator was not clearly defined.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. Refer to the annual performance report on pages 58 – 59 for information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 20 of this report.

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 public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
24. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(b) of the PFMA. Material misstatements of non-current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Asset management

26. The entity did not determine if any other state institution involved in education and/or training required computer equipment before disposal of such equipment, as required by Treasury Regulation 16A.7.7.

Expenditure management

27. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 793 788 as disclosed in note 34 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management regulations.

Consequence management

28. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.

Procurement and contract management

29. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with the policies of the public entity, as required by Treasury Regulation 16A6.2 (a) and (b).
30. Some of the contracts were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulation 16A9.1(d).
31. Some of the contracts and quotations were awarded to bidders based on functionality criteria that were not stipulated in the original invitation for bidding and quotations, as required by the 2017 Preferential Procurement Regulation 5(1) and (3).

Other information

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

Internal control deficiencies

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the finding on the annual performance report and the findings on compliance with legislation included in this report.
37. Action plans were not implemented timeously to address the prior year audit findings which resulted in sufficient and adequate reviews not being performed on the correction of the prior period errors, estimates of useful lives of assets and year end reports. Management did not implement adequate preventative controls to address prior year procurement and contract management findings. A misalignment between the supply chain management policy and financial policies tailored for operations resulted in management not adequately monitoring compliance with laws and regulations relating to supply chain management and expenditure management.
38. The instability at leadership level during the financial year affected the various levels of oversight displayed and the action to address the irregular expenditure identified in accordance with the legislative requirements, thereby resulting in consequences not being implemented by year-end.
39. The annual performance plan was not adequately reviewed to ensure that the technical indicator description provided enough information about the measurement of the target, thus ensuring that the indicator description is well defined. Management did not have sufficient and adequate documented and signed standard operating procedures defining what supported means and how the estimated economic value relates to the indicator. This resulted in an ambiguous understanding of the indicator when planned.

Auditor-General

Cape Town

2 August 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

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

Communication with those charged with governance

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



Statement of financial position

as at 31 March 2022

	Note(s)	2022 R'000	2021 R'000
Assets			
Non-Current Assets			
Trade and other receivables from non-exchange transactions	4	827	827
Plant and equipment	7	3 782	3 499
Intangible assets	8	865	80
Investments	9	-	29 441
		5 474	33 847
Current Assets			
Trade and other receivables from exchange transactions	3	30 757	2 907
Prepayments	5	1 290	1 450
Cash and cash equivalents	6	89 297	86 150
		121 344	90 507
Total Assets		126 818	124 354
Liabilities			
Non-Current Liabilities			
Operating lease liability	12	550	550
Current Liabilities			
Employee benefits	10	2 287	2 854
Trade and other payables	11	8 816	5 962
Operating lease liability	12	305	324
Deferred income	13	40 301	41 851
Income received in advance	14	572	2 621
Related party financial liabilities	15	13 959	12 711
		66 240	66 323
Total Liabilities		66 790	66 873
Net Assets		60 028	57 481
Accumulated surplus		60 028	57 481

Statement of financial performance

as at 31 March 2022

	Note(s)	2022 R'000	2021 R'000
Revenue			
Revenue from exchange transactions			
Interest received	16	1 205	519
Other revenue	17	2 152	586
Government grants and subsidies	18	17 549	14 168
Nett gain on disposal of assets	19	250	-
Gain on foreign exchange		-	51
Fair value adjustments	20	559	2 920
Total revenue from exchange transactions		21 715	18 244
Revenue from non-exchange transactions			
Transfer revenue	18	126 406	116 769
Government grants & subsidies			
Total revenue		148 121	135 013
Expenditure			
Bad debt	3	300	25
Depreciation and amortisation	7/8	1 706	2 438
Nett loss on disposal of assets	19	-	16
Loss on foreign exchange		16	-
Employee related costs	21	56 588	57 126
Other operating expenses	22	26 090	16 588
Marketing cost	23	39 223	31 502
Audit fees	24	2 977	3 346
Workshop, seminars and events	25	7 052	8 291
Administrative expenses	26	11 335	4 845
Total expenditure		145 287	124 177
Surplus for the year		2 834	10 836

Statement of changes in net assets

as at 31 March 2022

	Accumulated surplus R'000	Total net assets R'000
Balance at 01 April 2020	46 646	46 646
Surplus	10 835	10 835
Total changes	10 835	10 835
Prior year adjustments	(287)	(287)
Balance at 01 April 2021	57 194	57 194
Surplus for the year	2 834	2 834
Total changes	2 834	2 834
Balance at 31 March 2022	60 028	60 028
Note(s)		

The accumulated surplus for the 2021/22 financial year includes an amount of R 559 000 fair value adjustment on the put option held over the Cape Town Film Studio. The exercising of the put option on 31 December 2021 results in the derecognition of the investment/put-option and a recognition of a new current receivable. The settlement of the CTFS put- option receivable was finalised subsequent to year-end.

Cash flow statement

as at 31 March 2022

	Note(s)	2022 R'000	2021 R'000
Cash flows from operating activities			
Receipts			
Cash receipts from funders		185 924	181 270
Interest		1 205	519
Interest capitalised to deferred income		1 491	1 100
Interest capitalised to related parties financial liability		668	-
		<u>189 288</u>	<u>182 889</u>
Payments			
Cash paid to suppliers		(127 799)	(97 913)
Employee related cost		(56 588)	(57 126)
		<u>(184 387)</u>	<u>(155 039)</u>
Net cash flows from operating activities	27	4 901	27 850
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(919)	(884)
Proceeds from sale of property, plant and equipment	7	33	33
Purchase of intangible assets	8	(878)	-
Other cash item		10	(1)
Net cash flows from investing activities		(1 754)	(852)
Net increase in cash and cash equivalents		3 147	26 998
Cash and cash equivalents at the beginning of the year		86 150	59 152
Cash and cash equivalents at 31 March 2022	6	89 297	86 150

Statement of comparison of budget and actual amounts for the year ending

as at 31 March 2022

Budget on Cash Basis			
	Budget - Annual performance plan	Actual amounts on comparable basis	Difference between final budget and actual
	R'000	R'000	R'000
Statement of Financial Performance			
Expenditure			
Compensation of employees	54 266	56 588	2 322
Advertising	21 907	20 327	(1 580)
Audit Fees	3 472	2 977	(495)
Bank charges	147	97	(50)
Board cost	546	730	184
Catering services	68	115	47
Communication	609	1 113	504
Computer services	274	955	681
Consultants, contractors and special services	32 052	40 151	8 099
Inventory	4 475	2 537	(1 938)
Legal fees	54	3	(51)
Foreign exchange	2	-	(2)
Maintenance and repairs	240	81	(159)
Operating leases	7 269	7 376	107
Printing and publication	587	-	(587)
Travel and subsistence	6 665	2 457	(4 208)
Training and staff development	356	899	543
Depreciation	1 794	1 706	(88)
Total expenditure	134 783	138 112	3 329

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.

The Annual Performance Plan contains the anticipated budget relating to expenditure on funding received on projects during the 2021/22 financial year, as published on the Wesgro website. Wesgro projects, however, run on a multi-year basis and revenue on projects are only recognised when expenditure is incurred on the project. The adverse variance on the Wesgro budget statement is due to expenditure incurred during the 2021/22 financial year relating to funding that was received in the current year, as per the Annual Plan Performance, as well as expenditure incurred on funding received in prior years. All expenditure incurred during the 2021/22 financial year was therefore adequately funded.

1. Presentation of Financial Statements

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

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

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

GRAP 1: Presentation of Financial Statements
GRAP 2: Cash Flow Statements
GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4: The Effects of Changes in Foreign Exchange Rates
GRAP 5: Borrowing Costs
GRAP 6: Consolidated and Separate Financial Statements
GRAP 7: Investments in Associates
GRAP 8: Investments in Joint Ventures
GRAP 9: Revenue from Exchange Transactions
GRAP 10: Financial Reporting in Hyperinflationary Economics
GRAP 11: Construction Contracts
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events after Reporting Date
GRAP 16: Investment Property
GRAP 17: Property, Plant and Equipment
GRAP 18: Segment Reporting
GRAP 19: Provisions, Contingent Liabilities and Contingent Assets
GRAP 20: Related Parties
GRAP 21: Impairment of non-cash generating assets
GRAP 23: Revenue from non-exchange transactions
GRAP 24: Presentation of budget information
GRAP 25: Employee Benefits (expected effective date 1 April 2023)
GRAP 26: Impairment of cash – generating assets
GRAP 27: Agriculture GRAP 31: Intangible assets
GRAP 100: Discontinued operations
GRAP 103: Heritage assets (not applicable)
GRAP 104: Financial Instruments (Revised GRAP 104 expected effective date 1 April 2025)

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 (recognised as a percentage of work completed) 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

Revenue from exchange transactions (continued)

- 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.
- the stage of completion of the transaction at the reporting date can be measured reliably and
- when the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised are recoverable.

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 assets 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.
- to the extent that interest earned on positive bank balances is limited to interest earned on balances attributable to Wesgro vs those attributable to ASEZ, using Wesgro bank account.

Interest earned on cash and cash equivalents 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. Fair value gain is classified as revenue from exchange.

Government grants

Government grants are recognised as revenue when:

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

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

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

1.3 Financial instruments

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

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

1.3 Financial instruments (continued)

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/Put-option	Financial asset measured at fair value
Trade and other receivables	Financial asset measured at amortised cost
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 surplus and deficit 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;

1.3 Financial instruments (continued)

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

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

Offsetting of financial instruments

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

1.4 Property, plant and equipment

Property, 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 property, 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 surplus or deficit as incurred. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjustment if appropriate, at each financial year end. Any item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is derecognised. Useful lives and residual values are assessed annually where applicable.

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

1.5 Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

1.6 Impairment

Impairment of financial asset

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

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

Assets carried at amortised cost

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

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

Fair value investments

For fair value 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 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.

Accounting policies

for the year ended 31 March 2022

1.6 Impairment (continued)

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.

1.7 Cash and cash equivalents

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

1.8 Provisions and contingencies

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

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

1.9 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currency are initially recorded at the functional rate currency rate prevailing at the date of the transaction. All differences are recognised in surplus or deficit.

1.10 Leases

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

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

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

Accounting policies

for the year ended 31 March 2022

1.11 Tax

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

1.12 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

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

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

1.13 Budget information

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

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

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

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

Accounting policies

for the year ended 31 March 2022

1.14 Segment information

A segment is an activity of an entity:

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

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

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

1.15 Significant adjustments and sources of estimation uncertainty

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

Trade and other receivables

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

Plant and equipment

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

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of 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.

Accounting policies

for the year ended 31 March 2022

1.16 Related parties

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

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

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure is recorded as expenditure in the Statement of Financial Performance and disclosed in the notes to the financial statements as fruitless and wasteful when confirmed.

1.18 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.19 Prepayments

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

1.20 Irregular expenditure

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

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

Accounting policies

for the year ended 31 March 2022

1.21 Accounting by principals and agents

Identification

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

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

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

Identifying whether an entity is a principal or an agent

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

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

Binding arrangement

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

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

Assessing which entity benefits from the transactions with third parties

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

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

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

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

Recognition

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

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

Accounting policies

for the year ended 31 March 2022

1.21 Accounting by principals and agents (continued)

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

1.22 Cash reserves

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

1.23 Comparative figures

The current re-assessment of the fully depreciated assets still in use has resulted in the prior period restatement of the impact of the restatement of depreciation on fully depreciated assets currently in use to gain or loss in impairment is not in alignment to the entity's accounting policy. Furthermore, the change in the estimated useful life of fully depreciated assets still in use is expected to impact future periods. The restatement and disclosure of the error is allocated to the earliest disclosed period being 1 April 2020 in the current financial statements. Management has restated the remaining useful life on an individual asset level accordingly as detailed in note 2.

The retention of surplus funds approval resulted in re-allocation of programme budget from accumulated surplus to deferred income for Cruise Cape Town and Cape Town Health Tech projects respectively. The adjustment resulted in the impact to the accumulated surplus balance as at 01 April 2021 as detailed in note 2.

The deposit for SARB rental has been reclassified from current to non-current assets in line with the lease expiry period of February 2024. The adjustment resulted in prior year reclassification in the statement of financial position.

Prior year notes to the annual financial statements have been updated with the corrected disclosure of Non-Executive Directors-fees for services- Board members and Cash (used in) generated from operations as detailed in note 2. The update has no impact on the statement of financial performance or the cash flow statement.

Notes to the annual financial statements

for the year ended 31 March 2022

	2022 R'000	2021 R'000
2. Prior period errors and re-classification		
Trade and other receivables from non-exchange transactions		
Trade and other receivables from non-exchange transactions was disclosed as a current asset in the prior year and therefore correctly disclosed as a non-current asset in the current year.		
Operating lease liability		
Operating lease liability was incorrectly disclosed as R 874 000 in the prior year, it was however corrected in the current financial year as non-current liability of R 550 000 and current liability of R 324 000		
Administrative expenses		
Board fees for Ruweida Eksteen was adjusted in the prior year from R 35 000 to R 20 000, to indicate the actual fees paid over to Ruweida Eksteen excluding accruals raised in the prior year.		
Cash (used in) generated from operations		
Related party financial liability was separately disclosed in the prior year, however it was disclosed as a single line item in the current year.		
Irregular expenditure		
Irregular expenditure in the prior year that relates to quotations between R 30 000 and R 500 000 that were awarded to bidders without prior communication of the 80/20 preference evaluation or functionality where applicable were identified and adjusted, refer note 34.		
Accounting policy - Trade and other receivables		
Trade and other receivables accounting policy was incorrectly stated at fair value through profit in loss in the prior year and it was however corrected in the current year at amortised cost, trade and other receivables were however correctly measured at amortised cost.		
Statement of Changes in Net Assets		
Prior year adjustment	-	-
Plant and equipment - Cost	-	709
Plant and equipment - Accumulated depreciation	-	(709)
Intangible assets - Cost	-	104
Intangible assets - Accumulated depreciation	-	(104)
Accumulated surplus	-	1 100
Deferred income	-	(1 100)
Notes to annual financial statements		
2. Trade and other receivables from non- exchange transactions		
Current asset		(827)
Non-current asset		827
12. Operating lease liability		
Current liability		324
Non-current liability		(550)
26. Administrative expenses		
Non Executive Directors - Fees for services - Board members		
Prior Ruweida Eksteen (resigned February 2021)	-	35
Current Ruweida Eksteen (resigned February 2021)	-	20
27. Cash (used in) generated from operations		

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
2 Prior period errors and re-classification (continued)		
Current year related party financial liability	-	3 306
Prior year related party receipts - ASEZ	-	29 607
Prior year related party payments - ASEZ	-	(26 301)
34. Irregular expenditure		
Opening balance	-	261
Add: Irregular expenditure	-	178
Less: Amount condoned/ removed	-	-
	-	439
3. Trade and other receivables from exchange transactions		
Trade debtors	990	2 826
Less: Provision for doubtful debts	(300)	-
Sundry debtors and deposits	30 067	81
	30 757	2 907

Trade and other receivables ageing - March 2022

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Trade and other debtors from exchange transactions	30 280	30	-	447	30 757

Trade and other receivables ageing - March 2021

	R'000 Current	R'000 30-days	R'000 60-days	R'000 Over 90-days	R'000 Total
Trade and other debtors from exchange transactions	2 907	-	-	-	2 907

Trade receivables includes an amount of R30 000 000 for the Cape Town Film Studio put option that was exercised by management on 31 December 2021 and which was received post year end.

Provision for doubtful debts

As of 31 March 2022 the R300 000 provision relates solely to the R300 000 receivables that are over 120 days past due date. There are no other trade and other receivables considered impaired.

Opening balance	-	33
Movement in provision	(300)	(33)
Bad debts recovered	-	-
	(300)	-

4. Trade and other receivables from non-exchange transactions		
Sundry debtors and deposits	827	827

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
5. Prepayments		
Administrative expenses	103	195
Operating expenses	912	975
Workshops, seminars and events	275	280
	1 290	1 450

6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash and balances with banks	44 845	17 380
Short-term deposit/investments	44 447	68 765
Cash on hand	5	5
	89 297	86 150

ASEZ cash and cash equivalents: 2022: 13 959 137 (2021: 12 711 465)

7. Property, plant and equipment	2022			2021		
	R'000	R'000	R'000	R'000	R'000	R'000
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	1 808	(1 484)	325	1 905	(1 518)	388
Vehicles	1 642	(485)	1 157	1 727	(938)	789
Office equipment	664	(492)	171	661	(489)	171
Computer equipment	3 922	(2 438)	1 484	3 919	(2 462)	1 457
Leasehold improvements	2 541	(2 370)	171	2 682	(2 383)	299
Projects furniture and fittings	1 817	(1 588)	230	1 590	(1 521)	70
Projects office equipment	1 245	(1 037)	207	1 266	(1 103)	162
Projects leasehold improvements	844	(836)	7	844	(734)	109
Project computer equipment	126	(96)	30	221	(167)	54
Total	14 609	(10 826)	3 782	14 815	(11 315)	3 499

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022	2021				
	R'000	R'000				
7. Property, plant and equipment (continued)						
Reconciliation of plant and equipment - March 2022						
	R'000	R'000	R'000	R'000	R'000	R'000
	Opening balance	Additions	Adjustments	Disposals	Depreciation	Total
Furniture and fittings	388	-	37	-	(100)	325
Vehicles	789	786	17	(137)	(298)	1 157
Office equipment	171	3	71	-	(74)	171
Computer equipment	1 457	487	201	(41)	(620)	1 484
Leasehold improvements	299	-	9	-	(137)	171
Projects, furniture and fittings	70	-	227	-	(67)	230
Projects, office equipment	162	-	207	(12)	(150)	207
Projects, leasehold improvements	109	-	-	-	(102)	7
Projects, computer equipment	54	-	18	(3)	(39)	30
	3 499	1 276	787	(193)	(1 587)	3 782
The fixed asset register includes PPE belonging to Wesgro, purchased with project funding.						
	R'000	R'000	R'000	R'000	R'000	R'000
	Opening balance	Additions	Adjustments (Fully depreciated assets)	Disposals	Opening accumulated depreciation adjustment	Total
Furniture and fittings	525	-	(257)	-	257	388
Vehicles	1 100	-	(44)	-	44	789
Office equipment	261	-	(46)	-	46	171
Computer equipment	1 231	873	(191)	(36)	191	1 457
Leasehold improvements	498	-	-	-	-	299
Projects, furniture & fittings	478	-	-	(6)	-	70
Projects, office equipment	472	11	-	(5)	-	162
Projects, leasehold improvements	3 074	-	-	(2 753)	-	109
Projects, computer equipment	571	-	-	(461)	-	54
	8 210	884	(538)	(3 261)	538	3 499

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022	2021
	R'000	R'000
7. Property, plant and equipment (continued)		

Management has assessed that the entity needs to adjust the financial statements for the effect of fully depreciated/ amortised assets still in use. The adjustment is a change in estimate. A portion of the accumulated depreciation/amortisation is reversed to surplus or deficit for fully depreciated assets still in use. The cost of the asset is then depreciated/ amortised over its revised useful life.

The portion of accumulated depreciation that is reversed is calculated as the difference between:

- The total depreciation recognised in the previous periods using the previous expected useful life of the asset, and
- The total depreciation that would have been charged for those periods based on the revised useful life of the asset

For assets other than those that are fully depreciated are still in use, an entity continues to apply its existing estimated useful life.

The impact of the revised useful life current period and future periods is estimated as follows:

Nature	Prior change in estimate reversal	Change in Estimate	Change in future estimates
	R'000	R'000	R'000
Furniture and Fittings	-161	423	262
Vehicles	-7	23	16
Office Equipment	-8	288	280
Computer Equipment	-429	1 199	770
Total change in estimate	-605	1 933	1 328

8. Intangible assets

	2022			2021		
	R'000	R'000	R'000	R'000	R'000	R'000
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1 264	(406)	858	386	(313)	73
Projects, Computer software	29	(22)	7	29	(22)	7
Total	1 293	(428)	865	415	(335)	80

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

				2022	2021
				R'000	R'000
Reconciliation of intangible assets - March 2022					
8. Intangible assets (continued)					
	R'000	R'000	R'000		Total
	Opening balance	Opening cost adjustment	Opening accumulated depreciation adjustment	Amortisation	Total
Computer software	177	(77)	77	(104)	73
Projects, computer software	10	(9)	9	(3)	7
	187	(86)	86	(107)	80

Management has assessed that the entity needs to adjust the financial statements for the effect of fully depreciated/amortised assets still in use. The adjustment is a change in estimate. A portion of the accumulated depreciation/amortisation is reversed to surplus or deficit for fully depreciated assets still in use. The cost of the asset is then depreciated/amortised over its revised useful life.

The portion of accumulated depreciation that is reversed is calculated as the difference between:

- The total depreciation recognised in the previous periods using the previous expected useful life of the asset, and
- The total depreciation that would have been charged for those periods based on the revised useful life of the asset

For assets other than those that are fully depreciated are still in use, an entity continues to apply its existing estimated useful life.

The impact of the revised useful life current period and future periods is estimated as follows:

Nature	Prior change in estimate reversal	Change in Estimate	Change in future estimates
Computer software	9	0	9
Total change in estimate	9	0	9

9. Investments

Non-current assets

Opening value of Put Option on available for sale investment	29 441	26 521
Fair value gain/(losses)	559	2 920
Derecognition of Investment/put-option	(30 000)	-
	-	29 441
Fair value gain/(Impairment loss on investment)	-	(1)

Wesgro has exercised its put-option for the 10% shareholding in Cape Town Film Studios (Pty)Ltd (CTFS) on 31 December 2021. The investment has subsequently been derecognised and a trade receivable recognised for the value of the put-option.

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

			2022 R'000	2021 R'000
10. Employee benefits				
	Opening	Additions	Utilised during the year	Total
Leave pay provision	2 419	4 243	(4 810)	1 852
Occupational injury provision	435	-	-	435
	2 854	4 243	(4 810)	2 287
Reconciliation of employee benefits - March 2021				
	Opening	Additions	Utilised during the year	Total
Bonus provision	3 067	-	(3 067)	-
Leave pay provision	2 945	4 132	(4 658)	2 419
Occupational injury provision	435	-	-	435
	6 447	4 132	(7 725)	2 854

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

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

11. Trade and other payables				
Trade payables			5 367	1 166
Accruals			3 449	4 796
			8 816	5 962

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

12. Operating lease liability				
Operating lease smoothing				
- within one year			305	324
- within two to five years			550	550
			855	874
Non-current liabilities			(550)	(550)
Current liabilities			(305)	(324)
			(855)	(874)

The operating lease related to premises situated at 60 St George's Mall in Cape Town, utilised for office space. The Agency entered into an operating lease with the Reserve Bank of South Africa (SARB) during February 2019. The agreement is for 5 years and has fixed annual escalation of 7%. SARB duly appointed Ryden International Property Consultants to manage the leases within the Reserve Bank Tower Block. Expected termination date is February 2024.

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
13. Deferred income		
Unspent conditional grants and receipts		
Department of Economic Development & Tourism	4 986	8 663
Department of Trade and Industry	10 020	7 968
Municipalities	2 737	3 796
Multiple funder projects	12 440	10 250
Other projects	10 118	11 174
	40 301	41 851
Opening balance	41 851	38 823
Add: Current year receipts	22 585	39 329
Less: Amounts transferred to income for the year (Refer note 18)	(24 135)	(25 136)
Less: Transferred to Related Party financial liabilities	-	(11 165)
	40 301	41 851

Please refer to Annexure A for a detailed listing of the deferred income balances. All deferred income amounts are classified as current liabilities due to the fact that the funding for these project are conditional and can be recalled at any given point in time by our funders.

14. Income received in advance		
Projects administered by Wesgro		
Opening balance	2 621	2 157
Add: Current year receipts	8 000	4 941
Less: Amounts transferred to income for the year (Refer note 18)	(10 049)	(4 477)
	572	2 621

Knysna Municipality and the City of Cape Town projects funding's classification from non-exchange to exchange transactions resulted in a clasification from deferred income to Income received in advance to comply with GRAP 9. Please refer to Annexure A for a detailed listing of the income received in advance balances.

15. Related party financial liabilities		
At amortised cost		
Opening balance	12 711	-
Transfer from ASEZ - Trade and other receivables	-	(11)
Transfer from ASEZ - Plant and equipment	-	(2 258)
Transfer from ASEZ - Employee benefits	-	605
Transfer from ASEZ - Trade and other payables	-	590
Transfer from ASEZ - Deferred income	-	11 165
Receipts	45 055	29 607
Payments	(43 807)	(26 987)
Total related party financial liabilities	13 959	12 711

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
15. Related party financial liabilities (continued)		
The ASEZ appointed Wesgro to provide shared administrative support services with effect from 1 April 2021. The services provided by Wesgro under the shared Service Agreement include the provision of IT support services, Human Resource and payroll administration, office rental & related services. The closing balance of the ASEZ project was transferred to a related party liability loan account - DEDAT. The settlement of the liability will be done in line with arrangements contained in the ASEZ transfer payment agreement or directly to DEDAT or Provincial Treasury for re-allocation to ASEZ, ASEZ opened their own banking account on the 7 March 2022. The current liabilities and future payments made on behalf of ASEZ will be charged against the financial liability at the time of settlement. The related party liability payable -DEDAT is not interest bearing and is recognized at amortized cost.		
16. Interest received		
Interest received	1 205	519
17. Other revenue		
Sundry income	2 152	586
Included in sundry income is the revenue generated from the implementation of the ASEZ Shared service agreement to the value of R 615 753.		
18. Government grant and subsidies		
Operating grants		
Grants (Trade and Investment)	49 273	47 925
Grants (DMO)	52 998	45 499
Project Funding (Refer note 13 & 14)	34 184	29 613
	136 455	123 037
Capital grants		
City of Cape Town	7 500	7 900
	143 955	130 937
Non-exchange and exchange transactions		
Included in above are the following grants and subsidies received:		
Revenue from exchange transactions	17 549	14 168
Revenue from non-exchange transactions	126 406	116 769
	143 955	130 937

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
19. Gains/(Losses) on disposal of PPE		
(Losses) on disposal of assets/liabilities	(143)	(16)
Gains on disposal of assets	393	-
	250	(16)
20. Fair value adjustments		
Fair Value gain on put option on available for sale investments		
• Other financial assets (Designated as at fair value)	559	2 920
21. Employee related costs		
Staff cost		
	37 186	37 913
Basic salaries	36 911	37 876
Performance bonus	274	34
Temporary staff	1	3
	5 798	5 170
Medical aid	529	562
UIF	152	133
Skills development levies	374	-
Provident fund	4 743	4 475
Long-service awards	8	-
Project expenses	13 596	14 043
Basic salaries	11 933	12 693
Performance bonus	-	(165)
Temporary staff	21	6
Medical aid	147	149

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
21. Employee related costs (continued)		
UIF	49	64
Skills development levy	119	-
Provident fund	1 327	1 296
Total	56 588	57 126

Executive Management Remuneration	R'000 Salary	R'000 Performance Awards	R'000 Pension Contribution	R'000 Total 2022	R'000 Total 2021
Chief Executive Officer – Timothy Harris (Resigned) **	616	274	68	958	2 767
Chief Marketing Officer – Monika Luel	1 260	-	191	1 451	68
Chief Marketing Officer - Margaret Whitehouse (Resigned)	-	-	-	-	117
Chief Business Development Officer - Yaw Peprah#	1 652	-	170	1 822	1 704
Chief Financial Officer – Kholeka Zama	1 206	-	183	1 388	1 398
Chief Research Officer - Cornelis van der Waal (Transferred to GDA)	-	-	-	-	1 037
Chief Strategy Officer - Labeeqah Schuurman (Resigned)^	845	-	-	845	1 330
Chief Communications Officer - Russel Brueton (Resigned)	-	-	-	-	35
Chief Executive Officer - Wrenelle Stander*	1 007	-	163	1 170	-
	6 586	274	775	7 634	8 456

*Employment effective in October 2021

**Resignation effective June 2021 #Includes R 124 000 acting allowance

^Resignation effective November 2021 (Includes R 217 000 acting allowance)

The focus on jobs and growth during the financial year resulted in a marginal increase in the number of tourism, communication, trade and investment roles. The remainder of the increase is due to a 4.5% annual inflationary increase on total cost to company

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
22. Other operating expenses		
Programme expenses	15 809	10 220
Board expenses	2	94
Consulting fees	4 791	2 119
Courier and delivery charges	89	66
Health and safety	19	134
Insurance	248	237
License and software fees	785	798
Maintenance - Machinery and equipment	47	14
Maintenance - Property	69	58
Recruitment cost	768	3
Rentals - Machinery and equipment	308	271
Rentals - Property	5 635	5 101
Staff catering and refreshments	43	32
Telecommunication cost	987	1 160
Transport cost	101	88
Travel and subsistence	1 917	45
Project expenses	10 281	6 368
Consulting fees	7 682	4 218
Health and safety	5	4
Insurance	-	10
License and software fees	497	533
Maintenance - Machinery & equipment	2	4
Maintenance - Property	10	54
Rentals - Machinery and equipment	-	14
Rentals - Property	1 433	1 675
Staff catering and refreshments	72	33
Telecommunication cost	37	87
Transport cost	3	1
Travel and subsistence	540	(265)
Total	26 090	16 588

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
23. Marketing expenses		
Programme expenses	31 898	24 476
Advertising cost	31 764	24 268
Publishing cost	77	134
Site inspections	57	74
General marketing expenses - Project Expenses	7 325	7 026
	39 223	31 502
24. Audit fees		
External audit fees	2 547	2 618
Internal audit fees	430	728
	2 977	3 346
25. Workshops, Seminars and Events		
Workshops & seminars	5 187	7 942
Workshops & seminars - Project Expenses	1 865	349
	7 052	8 291
26. Administrative expenses		
Programme expenses	10 703	4 028
Bank charges	97	82
Fees for services - Board members	729	697
Grant refund	7 175	-
Legal fees	3	104
Printing & stationery	88	54
Subscriptions	1 729	2 648
Training and development	882	443
General administrative expenses - Project Expenses	632	817
	11 335	4 845

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
26. Administrative expenses (continued)		
Non-Executive Directors (Fees for services – Board Members)		
Brian Figaji (Resigned June 2020)	-	37
Ian Bartes	116	93
Paul Bannister	35	58
David Green	128	117
Michael Spicer (Deceased February 2022)	216	160
Andrea Bohmert	47	39
John van Rooyen	82	85
Sazi Ndwandwa	16	-
Ruweida Eksteen (Resigned February 2021)	-	20
Geoff Jacobs	39	-
Johny Copelyn	23	54
	702	663
Independent Audit Committee (Fees for services – Audit, IT and Risk Committee Members)		
Paul Slack	23	16
Danny Naidoo (Resigned March 2021)	4	18
	27	34
Fees for services: Board Members	729	697
The board remuneration detailed above provides a breakdown of Fees for services of Board Members		
27. Cash generated from operations		
Surplus	2 834	10 836
Adjustments for:		
Depreciation and amortisation	892	2 437
Gains/Losses on disposal of assets/liabilities	(250)	16
Fair value adjustments	(559)	(2 920)
Bad debt	300	-
Foreign exchange difference	16	-
Other revenue	615	-
Changes in working capital:		
Trade and other receivables from exchange transactions	1 591	(2 857)
Trade and other receivables from non-exchange transactions	-	9 600
Prepayments	160	(211)

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
27. Cash generated from operations (continued)		
Employee benefits	(567)	(2 989)
Trade and other payables	2 854	(4 654)
Operating lease liability	(19)	358
Deferred income	(3 709)	13 092
*Interest capitalised to deferred income	2 159	1 100
Income received in advance	(2 049)	464
Related parties financial liability	633	3 577
	4 901	27 850
28. Contingent Liabilities and Commitments		
Contingent liabilities		
Authorised expenditure	4 745	2 401
CTFS Put-option: DEDAT	30 000	-
	34 745	2 401
<p>A contingent liability exists in relation to the retention of the surplus funds for 2021/22. A rollover request has been submitted to DEDAT, but the entity is still awaiting approval thereof, which normally happens around December of each year.</p> <p>A possible obligation to refund the R30 million put option receivable may arise as the MOU between Wesgro and DEDAT specifies that surplus and interest arising and received from the termination of the CTFS agreement must immediately be paid over to DEDAT. The existence of this obligation will be confirmed only by the actual cash receipt of the refund from CTFS and this is not fully within the control of the entity. The R30 million for the Cape Town Film Studio put option that was exercised by management on 31 December 2021 was received post year end</p>		
Capital commitments		
Computer equipment ordered from Infinetex Connect to the value of R 550 620 but not yet delivered at year end.	551	-
Wesgro Export Portal - African Ideas Corporation		
Minimum payments due		
- within one year	133	1 198
- in second to fifth year inclusive	-	133
	684	1 331

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
28. Contingent Liabilities and Commitments (continued)		
During the prior year review, a tender for the appointment of a service provider to develop a WESGRO Export Portal was concluded. African Ideas Corporations (Pty) LTD was appointed as a preferred service provider and R1 330 837 is committed for the development and maintenance of the export portal. The portion of the commitment that relates to the development will be capitalised as intangible assets and the maintenance portion duly expensed.		
Operating leases		
Minimum lease payments due		
- within one year	4 532	6 127
- in second to fifth year inclusive	4 232	8 670
	8 764	14 797

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.

29. Related parties		
This disclosure relates to material related party balances and transactions where a person or entity with the ability to control or exercise significant influence over the other party or is a member of the management of the entity or its controlling entity. All related party transactions were conducted at arm's length and in accordance with the Agency's policy.		
29.1 Related party transactions and balances		
29.1.1 Related party loan liability		
Entity: Department of Economic Development and Tourism (DEDAT)	13 959	12 711
Nature: Executive Authority and Head of Department ex officio board member		
29.1.2 Related party transactions		
Entity: Department of Economic Development and Tourism (DEDAT)	164 898	146 224
Nature: Executive Authority and Head of Department ex officio board member Entity: Atlantis SEZ	615	531
Nature: Joint executive authority and shared service agreement implementation Entity: Department of Economic Development and Tourism (DEDAT)	-	12 599
Nature: Significant influence over the Air Access project implemented by Wesgro Entity: Department of Economic Development and Tourism (DEDAT)	-	3 900
Nature: Significant influence over the Cape Investor Centre project implemented by Wesgro		
Entity: Saldanha Bay IDZ	-	-
Nature: Joint executive authority		

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 26.

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022	2021
	R'000	R'000

30. Retirement benefits

Most employees are members of a defined contribution plan administered by Old Mutual. Both plans are governed by the Pension Funds Act of 1956. Provident fund contributions are made by the Agency only plus administration costs of the fund. In the current financial year total contributions amounted to R 4 743 469 (March 2021: R 4 474 497).

31. Risk management

Financial risk management

All financial instruments arise directly from operations. The main risks arising from the Agency's financial instruments are liquidity risk, credit risk and interest rate 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	±.50%	±1.0%	Investment value	±.50%	±1.0%
	R'000			R'000		
Cash and cash equivalents	44 447	222	444	68 765	344	687

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
32. Financial instruments disclosure		
Financial assets per category		
March 2022	R'000 At amortised cost	R'000 At fair value Total
Trade and other receivables from exchange transactions	30 757	- 30 757
Receivables from non-exchange transactions	827	- 827
Cash and cash equivalents	89 297	- 89 297
	120 881	- 120 881
March 2021	R'000 At amortised cost	R'000 At fair value Total
Trade and other receivables from exchange transactions	2 907	- 2 907
Receivables from non-exchange transactions	827	- 827
Investments	-	29 441 29 441
Cash and cash equivalents	86 150	86 150
	89 884	29 441 119 325
Financial liabilities per category		
March 2022	At amortised cost	Total
Trade and other payables	8 816	8 816
March 2021	At amortised cost	Total
Trade and other payables	5 961	5 961

33. Subsequent events

The directors are not aware of any other matters or circumstances arising since the end of the reporting period and any material non-compliance with statutory or regulatory requirements, and further changes to legislation that may affect the Agency.

34. Irregular expenditure

Two (2) awards with a value of R167 452 were procured without inviting at least the minimum prescribed number of written price quotations from prospective suppliers, and the deviation was approved even though it was possible to obtain the quotations.

Three (3) contracts to the value of R1 485 411 were procured from international suppliers whose tax matters had not been declared by the South African Revenue Service to be in order.

Two (2) contracts and quotations were awarded to international suppliers who did not submit a declaration of whether they were employed by the state or connected to any person employed by the state. The total value of these awards was R782 688.

One (1) quotations with a value of R43 433 were awarded without applying the preference points system.

One (1) quotation was awarded to a bidder who did not score the highest points in the bid evaluations.

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

	2022 R'000	2021 R'000
34. Irregular expenditure (continued)		
The balance of quotations for the year between R30 000 and R500 000 were awarded to bidders without prior communication of the 80/20 preference evaluation or functionality where applicable		
Irregular expenditure incurred in 2020/21 has been condoned/removed in the current financial year		
Irregular expenditure identified and confirmed of R 5 225 776, the full extent of irregular expenditure will be further investigated and be included in the 2022/2023 Annual Financial Statements.		
*Write off authorised by the accounting authority		
Opening balance	500	-
Prior period error	-	261
As restated	500	261
Add: Irregular expenditure current year	5 225	61
Add: Irregular expenditure prior period error Less: Amount not condoned and recoverable*	-	178
	(61)	-
	5 664	500

35. Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure for the period ended 31 March 2022 of R 40 734 (March 2021:R0) was identified. During the year under review the Agency was a victim of cyber attack. A fraudulent email was receive indicating to change the banking details of one employee. Efforts were made to recover funds but unfortunately no funds were recovered and this resulted in fruitless and wasteful expenditure of R 40 734.		
The fruitless and wasteful expenditure is made as follows:	R'000	R'000
	2022	2021
Cyber-crime – fraudulent e-mail confirming changes to bank details	41	-
Less: Amount condoned	-	-
	41	-

36. 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.	

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

	2022 R'000	2021 R'000
37. Accounting by principals and agents		
WESGRO is a party to a payment principal-agent arrangement supported by the Transfer Payment Agreement with DEDAT. Parties to this payment arrangement is ASEZ (principal) and WESGRO (agent).		
Entity as agent		
ASEZ was listed as a Schedule 3D PFMA public entity on the 15th December 2021. ASEZ acquired their own bank account on the 7 March 2022. In order to receive funding and make any payments, the Wesgro has signed a Shared Services Agreement which incorporates Wesgro effecting payments on behalf of ASEZ. The processing fees charged to ASEZ by Wesgro amount to R 171 884 of the funds processed.		
Fees Received		
WESGRO receives R 443 870 of amount received for overhead costs associated with receiving and managing funds on behalf of ASEZ. The Fees are included in Sundry Income in this set of financial statements		
38. 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		
Disclosure relating to all assets and liabilities per GRAP 18.21 and 18.19 only relates to the Wesgro Support Services segment, refer to the Statement of Financial Position included in the Annual Financial Statement.		
These reportable segments as well as the services for each segment are set out below:		
Reportable segment	Service potential	
Investment and Trade Promotion	Attract and return direct and domestic investments and grow exports	
Destination Marketing	Market the Western Cape as a business and leisure tourism destination	
Wesgro Support Services	Business Support Services	

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

38. Segment information (continued)

Segment surplus or deficit

2022

	R'000 Investment and trade promotion	R'000 Destination marketing	R'000 Wesgro support services	R'000 Total
Revenue				
Interest received	-	-	1 205	1 205
Other revenue	-	640	1 512	2 152
Gains on disposal of assets	-	-	250	250
Fair value adjustment	-	-	559	559
Government grant and subsidies	49 273	52 998	41 684	143 955
Total segment revenue	49 273	53 638	45 210	148 121
Entity's revenue				148 121
Expenditure				
Employee related cost	12 334	15 431	28 823	56 588
Depreciation and Amortisation	-	(39)	1 745	1 706
Loss on foreign exchange	-	-	16	16
Bad debt	-	-	300	300
Operating expenses	4 800	3 142	18 148	26 090
Marketing cost	2 922	25 015	11 286	39 223
Audit fees	-	697	2 280	2 977
Workshop, seminars and events	1 059	3 131	2 862	7 052
Administrative expenses	305	117	10 913	11 335
Total segment expenditure	21 420	47 494	76 373	145 287
Total segmental surplus				2 834

Notes to the annual financial statements (continued)
for the year ended 31 March 2022

38. Segment information (continued)

Segment surplus or deficit

2021

Revenue	R'000 Investment and trade promotion	R'000 Destination Marketing	R'000 Wesgro Support Services	Total
Interest received	-	-	519	519
Other revenue	-	-	586	586
Gain on foreign exchange	-	-	51	51
Gain on disposal of assets	-	-	-	-
Fair value adjustment	-	-	2 920	2 920
Government grants and subsidies	47 925	45 499	37 513	130 937
Total segment revenue	47 925	45 499	41 589	135 013
Entity's revenue				135 013

Expenditure

Employee related cost	11 605	17 424	28 097	57 126
Depreciation and amortisation	-	10	2 428	2 438
Loss on disposal of assets	-	-	16	16
Bad debt	-	-	25	25
Operating expenses	1 139	1 236	14 212	16 587
Marketing cost	2 687	20 609	8 206	31 502
Audit fees	-	428	2 918	3 346
Workshop, seminars and events	2 644	4 322	1 325	8 291
Loss on Foreign Exchange	-	-	-	-
Administrative expenses	570	859	3 417	4 846
Total segment expenditure	18 645	44 888	60 644	124 177
Total segmental surplus				10 836

ANNEXURE A

	2021	Tranche allocation	Transfers & receipts	Interest	Expenditure	2022
	R'000	R'000	R'000	R'000	R'000	R'000
Deffered income						
DEDAT - Department of Economic Development & Tourism	(8 663)	(3 300)	3 465	(227)	3 739	(4 986)
T&I - Wine Promotion	0	-	(14)	-	-	(14)
DMO - Bicycle Track	(254)	-	-	(10)	-	(264)
Cape Investor Centre (Invest SA) OPEX	(2 117)	(3 300)	-	(120)	3 160	(2 377)
Halaal Export Project	(53)	-	-	-	53	-
Data Intelligence	(562)	-	-	(14)	449	(128)
Halal Industrial Park	(419)	-	-	(17)	21	(416)
SEDIC	(3 535)	-	3 479	-	56	-
Website Update (2019)	(697)	-	-	(27)	-	(724)
Global Tourism Campaign (2019 DEDAT)	(1 025)	-	-	(39)	-	(1 064)
DTI-Department of Trade & Industry	(7 968)	(2 000)	-	(291)	239	(10 020)
Cape Investor Centre (Invest SA) CAPEX	(3 591)	-	-	(131)	321	(3 401)
CIC: Marketing P - DTi	(4 377)	(2 000)	-	(160)	(82)	(6 619)
Municipalities	(3 796)	(3 540)	1 479	(127)	3 248	(2 737)
Film Projects	(2 318)	(3 540)	-	(127)	3 248	(2 737)
Saldanha Municipality	(392)	-	392	-	-	-
Matzikama Municipality	(531)	-	531	-	-	-
George Municipality	(549)	-	549	-	-	-
Drakenstein Munisipality	(7)	-	7	-	-	-
Multiple Projects	(10 250)	(5 800)	(5 325)	(566)	9 500	(12 440)
Agribusiness Investment Unit	(1 985)	(2 500)	(216)	(123)	1 066	(3 758)
Air Access (Cape Catalyst)	(7 678)	(355)	(1 059)	(268)	4 512	(4 848)
Air Route Development Fund	-	(2 145)	(3 250)	(169)	2 145	(3 419)
Cape Health Technology Park	(586)	(800)	(800)	(6)	1 776	(416)

ANNEXURE A

	2021	Tranche allocation	Transfers & receipts	Interest	Expenditure	2022
	R'000	R'000	R'000	R'000	R'000	R'000
Deferred income						
Other projects	(11 174)	(5 600)	(474)	(280)	7 409	(10 118)
Special Operation Project	(316)	-	(1 604)	-	121	(1 799)
Project Good Hope	(1 774)	(3 200)	-	(74)	3 189	(1 859)
HALAL IBM/African Week	(307)	-	-	-	307	-
Subvention Funding	(1 498)	-	-	(54)	425	(1 127)
Cradle of Mankind	(17)	-	-	-	-	(17)
District Unit	(1 565)	(2 000)	(500)	(97)	1 222	(2 940)
Manufacturing (Marketing and Promotion)	(14)	-	-	(1)	-	(15)
Tourism Safety Communication Campaign	(105)	-	-	-	-	(105)
War Room Ops	(3 518)	-	2 765	-	753	-
Global Digital Region	(70)	-	-	(3)	-	(72)
African Youth Agripreneur Forum	(216)	-	216	-	-	-
Cruise Cape Town	(600)	(400)	(300)	(52)	-	(1 352)
Grabouw Development Agency (GDA)	(1 175)	-	(1 050)	-	1 392	(833)
Total	(41 851)	(20 240)	(855)	(1 491)	24 135	(40 302)
Income received in advance						
Municipalities & other projects	(2 621)	(8 000)	-	-	10 049	(572)
Knysna Municipality	(1 655)	(4 500)	-	-	6 155	-
Cruise Cape Town	(686)	(310)	-	-	704	(292)
Invest in Cape Town Publication	(22)	-	-	-	-	(22)
Invest in Cape Town Brand	(258)	-	-	-	-	(258)
Cape Investor Centre (Invest SA) OPEX	-	(125)	-	125	-	-
Cape Health Technology Park	-	(210)	-	-	210	-
Air Route Development Fund	-	(2 855)	-	-	2 855	-
Total	(2 621)	(8 000)	-	-	10 049	(572)

	2022 R'000	2021 R'000
ANNEXURE B		
Other notable related transactions		
Other notable related balances		
Disclosure of "Other notable related transactions to transactions" is limited to other government entities and entities with operational arrangements concluded with Wesgro.		
Entity: City of Cape Town (CoCT)	-	2 500
Nature: Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), Joint Executive authority and executive mayor on entity leadership.		
Other notable related transactions		
Entity: Department of Agriculture (DOA)	2 500	2 500
Nature: Common economic cluster executive authority and DOA is a controlling entity for Agribusiness project implemented by Wesgro		
Entity: City of Cape Town (CoCT)		
Nature: Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996), Joint Executive authority and executive mayor on entity leadership	10 000	10 000
Entity: Department of the Premier (DOTP)	5 000	5 000
Nature: The DOTP is a controlling entity for Economic War Room project implemented by Wesgro		
Entity: Grabouw Development Agency NPC	1 175	1 175
Nature: Significant influence over the Grabouw Development project managed by Wesgro		
	19 620	19 563



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