CTICC

SCHEDULED ANNUAL BUDGETS & SUPPORTING DOCUMENTATION

2015/16

Contents

PART ONE - ANNUAL BUDGET

1. Chairpersons report and resolutions

Please see separate report.

2. Executive summary

CTICC's financial history reflects that despite the challenging global and national economic backdrop, the company has managed to generate an operating profit year on year. As a municipal entity the CTICC is mandated to ensure its self-sustainability, while also contributing to GDP and job creation. The financial plan for 2015/16 reflects that, with the projected hosting of 500 events, the company will be generating a net profit after tax of R13million for the year. The 2015/16 operational plans which are factored into the budgets have taken into account growth in primary and secondary revenue streams, as well as the continuous drive to save on costs. The business needs in respect of capital expenditure for the existing building, which is also funded from CTICC reserves, have been budgeted at R27million for the year. The capital expenditure is for new and existing assets, which will contribute to the CTICC remaining a world class facility.

The 2015/2016 budget reflects positive results indicating a net profit before tax of R18.3million. The budget indicates an increase in total revenues of 6.8% compared to 2014/2015 adjusted budget, which is more or less in line with the average revenue trend increase over the past five years. Total indirect costs have been budgeted at an increase of 8.5%. The operating profit before interest and depreciation reflects a 1% growth, compared to 2014/2015 forecast budget.

The 2015/2016 budget includes a 32% (R29million) "blue sky" revenue, as the budget is prepared for the City well in advance of the start date of the 2015/2016 financial year, where there are few bookings in the system on which the budget can be based. The budgeted operating profit before interest and depreciation for 2015/2016 has been budgeted at R25.5million.

Due to the nature of our business and the increase in short term bookings, we have always included a portion of "unknown" revenue for short term business. As venue rental income is the primary source of revenue the other revenue streams budgets are based on these same assumptions.

Indirect costs have been budgeted to increase at 6.5%, for most of the categories of indirect costs except for maintenance, electricity, water, refuse, personnel costs and building costs, which have been budgeted to increase in line with City's guidelines. The budget 2015/2016 reflects a R25.5million profit before interest and depreciation and a R13.2million profit after tax.

The projections for the out years include operations of the expansion. It is envisaged that a loss will be made in the start-up years of the new building, however there should be a turnaround in future years.

3. Annual budget tables

The basis of measurement and accounting policies in preparation of the budget has been consistent with prior years. Refer 4. Overview of budget-related policies.

PART TWO – SUPPORTING DOCUMENTATION

1. Overview of budget process

The 2015/2016 budget process was prepared following a similar approach used in prior years. The budget takes into account the current market conditions, such as inflation of 6.5%, historical trend analysis as well as the proposed city guidelines. Similar to the prior years, various strategy sessions were deployed across departments. A hybrid approach was followed with the use of historical trends and zero based budgeting.

2. Overview of alignment of annual budget with service delivery agreement

As a municipal entity, we are required to submit, along with our annual budget, a multi-year business plan that sets key financial and non-financial performance objectives and measurement criteria. The business plan also is required to align, and be consistent with, the integrated development plan (IDP) of our parent municipality i.e. the City of Cape Town (CoCT). The table below illustrates this alignment.

The service delivery agreement with the City makes reference to an annual agreement on key performance indicators (KPI 's). Please refer to Annexure B, which is the agreed KPI 's for 2015/16 and which has been aligned to the business plan.

The below table represents the City of Cape Town IDP focus areas in comparison to the CTICC Mission Statements and Activities:

Table 1: CoCT IDP Focus areas vs CTICC Mission

Focus Area	City of Cape Town 2012/2017 IDP Focus Areas	CTICC Mission Statements and Activities
1	*The Opportunity City* **Economic Growth and Job Creation**	Maximizing economic impact and job creation through : - Driving the knowledge economy and skills exchange Attracting more meetings and events to Cape Town - Increasing turnover and market share - Achieving a BBBEE procurement spend of not less than 50% - Partnering with business tourism role players to advance the industry - Pursuing new strategic business opportunities
	Infrastructure-led growth and development	The CTICC East expansion will effectively double the size of the exhibition space, in order to service high levels of demand. The expanded facilities will further enable CTICC to continue to increase the economic multiplier effect and host concurrent meetings and events.
	Promote a sustainable environment	CTICC aims to be a world leader in sustainability through the commitment of a dedicated team of staff members and partners, who place sustainable business practices at the top of every agenda. The CTICC aims to uplift and empower the communities in which it operates.
	Leverage assets to drive economic growth	Driving economic growth through the knowledge exchange and job creation.
	Training and skills development	A core focus is on building capable and quality staff through a constant focus on training, rewards and recognition, mentorship, and financial and physical wellness. Service excellence is further enhanced through continuous innovation of technology and processes.
2	*The Safe City*	The CTICC is focused on putting measures in place to ensure a safe environment for anyone that walks through its doors. CTICC is a member of Cape Town Central District (CCID) and pays a monthly fee for support of cleansing and security within the precinct and during large events.
3	*The Caring City*	CTICC is committed to uplifting and empowering the communities in which it operates & has partnerships with number of NGO's. Clients and service providers are encouraged to leave a legacy and participate in initiatives that serve to create sustainable communities.
4	*The Inclusive City*	CTICC contributes to transformation by consistently meeting and exceeding the target of spending no less than 50% of its budget on BBBEE suppliers.
5	*The Well-run City*	We comply with the MFMA and all relevant legislation. The CTICC adheres to the principles of King III Code on Governance and complies with the Municipal Finance Management Act (MFMA) and all other relevant legislation. Adequate risk identification and management processes have been implemented to ensure that the centre operates according to the highest ethical standards. The CTICC has achieved unqualified clean audits for two consecutive years.

3. Measurable performance objectives and indicators

The KPI's as referred to in Annexure B has two specific financial areas namely operating profit and capital projects.

These are key performance indicators which measures the financial performance.

4. Overview of budget related policies

The budget policies effective at the time of the budget preparation are as follows:

4.1 Annual Leave
4.2 Asset Management Policy
4.3 Business Travel and Subsistence Policy
4.4 Cell Phone Policy
4.5 Credit control and Debt Collection Policy
4.6 Directors Remuneration
4.7 Discount and Yielding
4.8 Entertainment Policy
4.9 Fraud Policy
4.10 Investment Policy
4.11 Overtime Policy
4.12 Petty Cash
4.13 Procedures for Acceptance and Receipt of Gifts
4.14 Reward and Recognition
4.15 Uniform Policy

These policies are available for inspection upon request.

5. Overview of budget assumptions

Revenue

The venue rental income budget has been based on the actual information in our booking system at the time of preparation of the budget, as well as 'blue sky' projections with various weighting applied, which is consistent with prior years.

Food & beverage revenue is calculated on a percentage of venue rental income which in turn is based on the events in the booking system.

DIRECT COSTS

The cost of sales budget is in line with the historic trend of the company.

INDIRECT COSTS

Total salary costs for existing positions is budgeted to increase in 2015/2016 by 6.8%, as prescribed by the City guidelines.

Operations general increased by 7% which is in line with inflation.

Water has been budgeted to increase by 10% (R101k), as indicated by the City guidelines. Electricity costs have both been budgeted to increase by 9.8% compared to the 2014/15 budget. The company continues to embark on energy saving initiatives and has shown a reduction in energy consumption however the substantial increase in electricity rate tariffs offsets these savings.

Maintenance costs are budgeted to increase by 8.6% (R595k) for 2015/2016 and is in line with prior years.

Building costs are budgeted to increase by 7% (R526k), mainly as a result of annual escalation on categories such as security and cleaning.

IT Costs have been budgeted to decrease by 10% (R551k), due to the increase in the IT strategy.

The possible cash injection anticipated to be received from the shareholders for the expansion has been included in the budget.

Depreciation is budgeted to increase by 11.5% (R3million) for 2015/2016, these are based on the anticipated completion of capital projects.

6. Overview of budget funding

The CTICC is a profit generating entity and all operational and capital expenditure are self- funded through profits generated from operational activity. The CTICC East expansion will be funded by its shareholders and via cash reserves.

For purposes of Schedule D3, the funding reflected under internally generated funds include funding received from shareholders for the expansion. CTICC will reassess its cash flow at a later point to determine whether long term borrowing is required for its contribution to the expansion.

7. Expenditure on allocations and grant programmes

The CTICC is not the beneficiary of allocations and grants and all operational and capital expenditure are funded through profits and reserves.

8. Board member allowances and employee benefits

The board members do not receive any allowances and are only paid a directors fee for their attendance of board and committee meetings. The directors' fees are also determined by the City in terms of national guidelines issued by National Treasury. The directors fees is calculated using the following tables as published by National Treasury in April each year:

Table 2: Directors Fee Breakdown

	Current upper limits of board attendance fees, per meeting per day, before Tax, from 1 July 2013 [per C34/07/13] R	Revised upper limit, based on the National Treasury guidelines per day, before Tax, as from 1 July 2014# R	Hourly rate (if Entity Policy makes provision for hourly rates) as from 1 July 2014# R
Board			
Chairperson	4 112	4 344	543
Member	3 056	3 232	404
Audit and Risk Management Committees			
Chairperson	3 648	3 856	482
Member	2 880	3 048	381
Other Board Committees			
Chairperson	3 392	3 584	448
Member	2 056	2 176	272

The following table represents the personnel employed by the CTICC.

Detail	Count	Rand - '00 0
No. of board members	12	873
Senior managers (incl. CEO)	5	
Other managers	22	
Total managers	**39**	**6 469**
Other staff members	124	46 959
Total personnel	**163**	**54 301**

9. Monthly targets for revenue, expenditure and cash flow

REFER ANNEXURE A

10. Contracts having future budgetary implications

The contracts with suppliers have been included in the normal operational expenditure budget. These contracts do not exceed 3 years and is in line with the Municipal Supply Chain Management Policy.

11. Capital expenditure details

REFER ANNEXURE A

12. Legislation compliance status

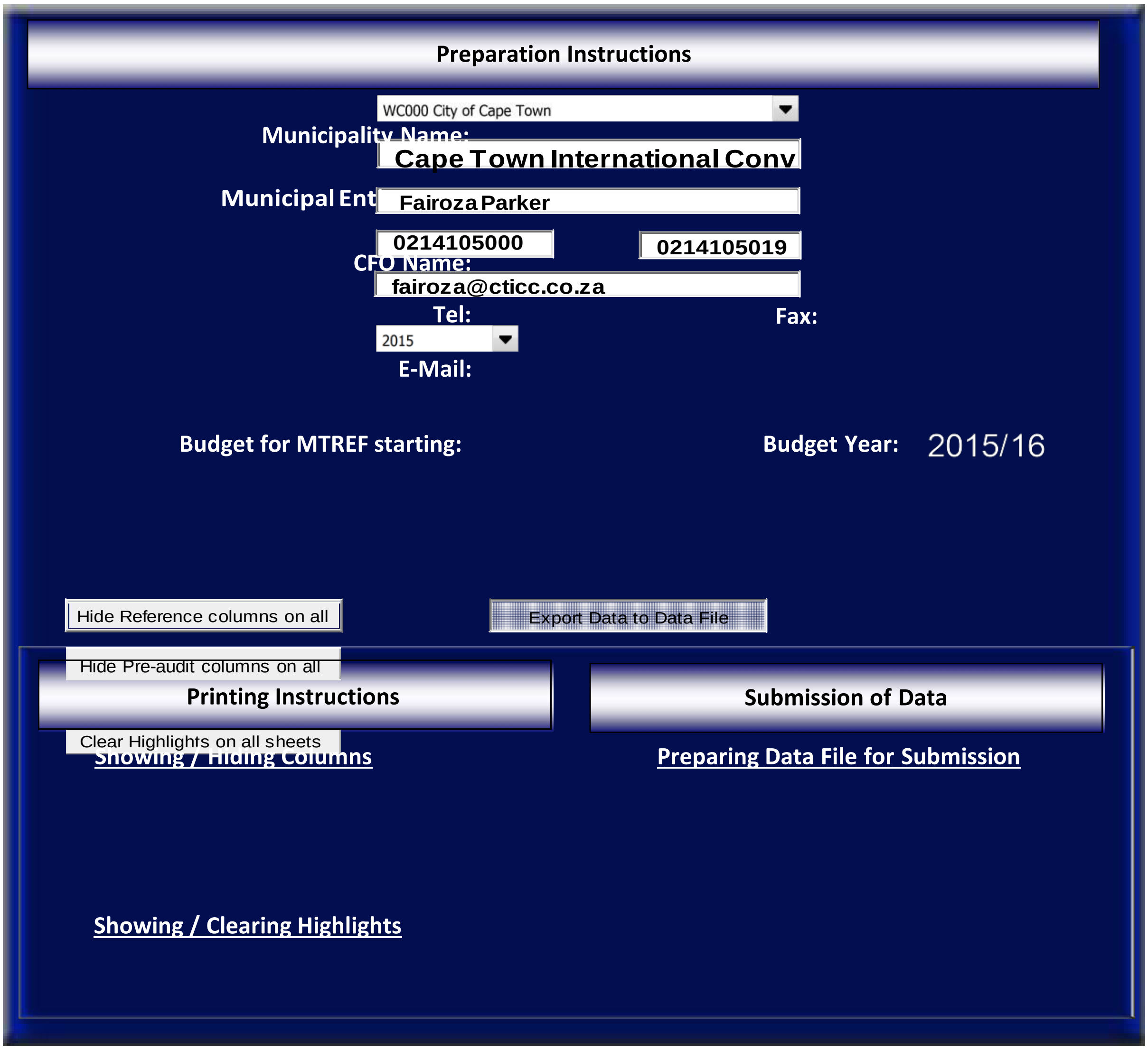
The legislative checklist is done on an annual basis and there are no areas of non-compliance.

13. Other supporting documents

14. Chief Executive Officers quality certification

REFER ANNEXURE C


Entities
Municipal annual budgets and MTREF & supporting tables
Version 2.2
Click for Instructions!
Accountability
Transparency
Information & service delivery
national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA
Contact details:
Technical enquiries to the MFMA Helpline at:
mfma@treasury.gov.za
Data submission enquiries:
Elsabé Rossouw
National Treasury
Tel: (012) 315-5534
Electronic documents: lgdocuments@treasury.gov.za
Queries on formats: lgdataqueries@treasury.gov.za


Preparation Instructions
WC000 City of Cape Town
Municipality Name:
Cape Town International Conv
Municipal Ent
Fairoza Parker
0214105000
0214105019
CFO Name:
fairoza@cticc.co.za
Tel:
Fax:
2015
E-Mail:
Budget for MTREF starting:
Budget Year:
2015/16
Hide Reference columns on all
Export Data to Data File
Hide Pre-audit columns on all
Printing Instructions
Submission of Data
Clear Highlights on all sheets
Showing / Hiding Columns
Preparing Data File for Submission
Showing / Clearing Highlights

Cape Town International Convention Centre - Table D1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	7 420	7 664	11 239	16 988	20 529	20 529	22 568	9 706	4 607
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other own revenue	140 337	158 899	174 902	177 785	180 735	180 735	192 990	247 943	277 862
Total Revenue (excluding capital transfers and contributions)	**147 757**	**166 563**	**186 141**	**194 773**	**201 265**	**201 265**	**215 558**	**257 649**	**282 469**
Employee costs	32 782	36 743	41 719	44 324	46 811	46 811	53 428	79 658	81 202
Remuneration of Board Members	144	208	445	289	850	850	873	926	981
Depreciation and debt impairment	21 537	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	82 505	102 896	118 168	132 337	134 457	134 457	142 902	203 523	217 315
Total Expenditure	**136 968**	**139 847**	**160 331**	**176 951**	**182 119**	**182 119**	**197 204**	**284 106**	**299 498**
Surplus/(Deficit)	**10 789**	**26 716**	**25 809**	**17 822**	**19 146**	**19 146**	**18 354**	**(26 457)**	**(17 029)**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**10 789**	**26 716**	**25 809**	**17 822**	**19 146**	**19 146**	**18 354**	**(26 457)**	**(17 029)**
Taxation	4 114	8 877	8 252	4 990	5 361	5 361	5 139	–	–
Surplus/ (Deficit) for the year	**6 675**	**17 839**	**17 558**	**12 832**	**13 785**	**13 785**	**13 215**	**(26 457)**	**(17 029)**
Capital expenditure & funds sources									
Capital expenditure	**17 326**	**29 327**	**41 259**	**78 779**	**192 179**	**192 179**	**495 319**	**170 438**	**35 724**
Transfers recognised - capital	–	–	–	52 100	165 500	165 500	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	17 326	29 327	41 259	26 679	26 679	26 679	495 319	170 438	35 724
Total sources of capital funds	**17 326**	**29 327**	**41 259**	**78 779**	**192 179**	**192 179**	**495 319**	**170 438**	**35 724**
Financial position									
Total current assets	139 932	168 644	365 734	565 951	686 043	686 043	275 146	125 290	109 864
Total non current assets	176 273	185 429	205 314	254 119	370 786	370 786	836 315	975 226	978 700
Total current liabilities	36 443	58 748	61 530	48 865	50 810	50 810	54 020	69 531	74 608
Total non current liabilities	6 915	4 640	2 201	4 640	2 201	2 201	2 201	2 201	2 201
Community wealth/Equity	272 846	290 686	507 317	766 565	1 003 818	1 003 818	1 055 241	1 028 784	1 011 755
Cash flows									
Net cash from (used) operating	15 925	51 652	42 337	44 130	24 654	24 654	45 124	15 758	17 670
Net cash from (used) investing	(17 417)	(29 737)	(41 259)	(78 779)	(192 179)	(192 179)	(495 319)	(170 438)	(35 724)
Net cash from (used) financing	–	–	199 074	230 000	482 716	482 716	38 209	–	–
Cash/cash equivalents at the year end	**132 933**	**154 848**	**354 999**	**550 351**	**670 190**	**670 190**	**258 204**	**103 524**	**85 470**

Cape Town International Convention Centre - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Source	1									
Property rates										
Property rates - penalties & collection charges										
Service charges - electricity revenue										
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment		64 952	74 158	83 459	84 247	85 447	85 447	91 367	125 481	140 067
Interest earned - external investments		7 420	7 664	11 239	16 988	20 529	20 529	22 568	9 706	4 607
Interest earned - outstanding debtors										
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational										
Other revenue		75 385	84 741	91 443	93 538	95 288	95 288	101 622	122 462	137 796
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		**147 757**	**166 563**	**186 141**	**194 773**	**201 265**	**201 265**	**215 558**	**257 649**	**282 469**
Expenditure By Type										
Employee related costs		32 782	36 743	41 719	44 324	46 811	46 811	53 428	79 658	81 202
Remuneration of Directors		144	208	445	289	850	850	873	926	981
Debt impairment	4									
Collection costs										
Depreciation & asset impairment		21 537	20 443	20 875	26 707	26 707	26 707	29 790	31 527	32 250
Finance charges										
Bulk purchases	2									
Other materials	5									
Contracted services										
Transfers and grants										
Other expenditure	3	82 505	82 452	97 293	105 630	107 750	107 750	113 113	171 996	185 065
Loss on disposal of PPE										
Total Expenditure		**136 968**	**139 847**	**160 331**	**176 951**	**182 119**	**182 119**	**197 204**	**284 106**	**299 498**
Surplus/(Deficit)		**10 789**	**26 716**	**25 809**	**17 822**	**19 146**	**19 146**	**18 354**	**(26 457)**	**(17 029)**
Transfers recognised - capital										
Contributions recognised - capital										
Contributions of PPE										
Surplus/(Deficit) after capital transfers & contributions		**10 789**	**26 716**	**25 809**	**17 822**	**19 146**	**19 146**	**18 354**	**(26 457)**	**(17 029)**
Taxation		4 114	8 877	8 252	4 990	5 361	5 361	5 139	–	–
Surplus/ (Deficit) for the year		**6 675**	**17 839**	**17 558**	**12 832**	**13 785**	**13 785**	**13 215**	**(26 457)**	**(17 029)**
References										
1. Revenue includes sales of: (insert description)										
2. Bulk purchases - electricity										
2. Bulk purchases - water										
3. Expenditure includes repairs & maintenance of:										

Cape Town International Convention Centre - Table D3 Capital Budget by vote and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
R thousands	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-Year expenditure										
Insert programme/projects description										
Capital multi-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–
Single Year expenditure										
Building enhancements		11 084	8 311	6 883	13 300	13 300	13 300	11 995	12 715	13 478
IT & electronic infrastructure		3 400	6 363	10 430	9 029	9 029	9 029	10 849	11 500	12 190
Kitchen enhancements		874	1 411	868	960	960	960	1 050	1 113	1 180
Catering furniture & equipment		1 968	1 398	2 114	3 390	3 390	3 390	3 450	3 657	3 876
						–	–	–	–	–
CTICC EAST			11 844	20 964	52 100	165 500	165 500	467 975	141 453	5 000
Capital single-year expenditure sub-total	2	**17 326**	**29 327**	**41 259**	**78 779**	**192 179**	**192 179**	**495 319**	**170 438**	**35 724**
Total Capital Expenditure	4	**17 326**	**29 327**	**41 259**	**78 779**	**192 179**	**192 179**	**495 319**	**170 438**	**35 724**
Funded by:										
National Government										
Provincial Government										
Parent Municipality					52 100	165 500	165 500	–	–	–
District Municipality										
Transfers recognised - capital		–	–	–	**52 100**	**165 500**	**165 500**	–	–	–
Public contributions & donations	6									
Borrowing	3									
Internally generated funds		17 326	29 327	41 259	26 679	26 679	26 679	495 319	170 438	35 724
Total Capital Funding	4	**17 326**	**29 327**	**41 259**	**78 779**	**192 179**	**192 179**	**495 319**	**170 438**	**35 724**

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment.

3. Include finance leases and PPP capital funding component of unitary payment

4. Total Capital Funding must balance with Total Capital Expenditure

6. Include contributions from Public Entities; e.g. Eskom

check	-	-	-	-	-	-	-	-	-

Cape Town International Convention Centre - Table D4 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS										
Current assets										
Cash		6 597	3 286	6 867	–	–	–	–	–	–
Call investment deposits		126 336	151 562	348 132	550 351	670 190	670 190	258 204	103 524	85 470
Consumer debtors		–	–	–	–	–	–	–	–	–
Other debtors		5 622	12 676	9 666	13 586	13 811	13 811	14 748	18 947	21 234
Current portion of long-term receivables		–		–	–	–	–	–	–	–
Inventory		1 377	1 120	1 068	2 014	2 041	2 041	2 195	2 820	3 161
Total current assets		**139 932**	**168 644**	**365 734**	**565 951**	**686 043**	**686 043**	**275 146**	**125 290**	**109 864**
Non current assets										
Long-term receivables	3	–	–	–	–	–	–	–	–	–
Investments		–	0	0	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–
Property, plant and equipment	1	176 273	185 429	205 314	254 119	370 786	370 786	836 315	975 226	978 700
Agricultural assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangible assets		–	–	–	–	–	–	–	–	–
Total non current assets		**176 273**	**185 429**	**205 314**	**254 119**	**370 786**	**370 786**	**836 315**	**975 226**	**978 700**
TOTAL ASSETS		**316 205**	**354 074**	**571 048**	**820 070**	**1 056 829**	**1 056 829**	**1 111 462**	**1 100 517**	**1 088 564**
LIABILITIES										
Current liabilities										
Bank overdraft		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Consumer deposits		16 497	25 071	28 308	10 667	10 844	10 844	11 579	14 877	16 672
Trade and other payables		16 879	30 988	29 972	35 039	36 443	36 443	38 622	50 516	53 450
Provisions	3	3 068	2 689	3 250	3 159	3 522	3 522	3 818	4 139	4 487
Total current liabilities		**36 443**	**58 748**	**61 530**	**48 865**	**50 810**	**50 810**	**54 020**	**69 531**	**74 608**
Non current liabilities										
Borrowing		–	–	–	–	–	–			
Provisions	3	6 915	4 640	2 201	4 640	2 201	2 201	2 201	2 201	2 201
Total non current liabilities		**6 915**	**4 640**	**2 201**	**4 640**	**2 201**	**2 201**	**2 201**	**2 201**	**2 201**
TOTAL LIABILITIES		**43 359**	**63 388**	**63 731**	**53 505**	**53 011**	**53 011**	**56 221**	**71 732**	**76 809**
NET ASSETS	2	**272 846**	**290 686**	**507 317**	**766 565**	**1 003 818**	**1 003 818**	**1 055 241**	**1 028 784**	**1 011 755**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		(292 793)	(274 954)	(257 396)	(259 075)	(243 611)	(243 611)	(230 396)	(256 853)	(273 883)
Reserves		–	–		–		–	–	–	–
Share capital		565 640	565 640	764 713	1 025 640	1 247 429	1 247 429	1 285 638	1 285 638	1 285 638
TOTAL COMMUNITY WEALTH/EQUITY	2	**272 846**	**290 686**	**507 317**	**766 565**	**1 003 818**	**1 003 818**	**1 055 241**	**1 028 784**	**1 011 755**

Cape Town International Convention Centre - Table D5 Budgeted Cash Flow

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
R thousands		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		149 435	162 147	181 112	83 203	163 871	163 871	192 053	243 743	275 576
Government - operating		–	–	–	–	–	–	–	–	–
Government - capital		–	–	–	–	–	–	–	–	–
Interest		7 466	7 704	11 280	16 988	20 529	20 529	22 568	9 706	4 607
Dividends		–	–	–	–	–	–	–	–	–
Payments	2									
Suppliers and employees		(140 930)	(118 158)	(150 015)	(56 061)	(159 746)	(159 746)	(169 497)	(237 692)	(262 513)
Finance charges		(46)	(40)	(41)	–	–	–	–	–	–
Dividends paid		–	–	–	–	–	–	–	–	–
Transfers and Grants		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**15 925**	**51 652**	**42 337**	**44 130**	**24 654**	**24 654**	**45 124**	**15 758**	**17 670**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	0	0	0	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
Payments										
Capital assets		(17 417)	(29 737)	(41 259)	(78 779)	(192 179)	(192 179)	(495 319)	(170 438)	(35 724)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(17 417)**	**(29 737)**	**(41 259)**	**(78 779)**	**(192 179)**	**(192 179)**	**(495 319)**	**(170 438)**	**(35 724)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	199 074	230 000	482 716	482 716	38 209	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**199 074**	**230 000**	**482 716**	**482 716**	**38 209**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	1	**(1 492)**	**21 915**	**200 151**	**195 352**	**315 191**	**315 191**	**(411 987)**	**(154 680)**	**(18 054)**
Cash/cash equivalents at the year begin:	2	**134 425**	**132 933**	**154 848**	**354 999**	**354 999**	**354 999**	**670 190**	**258 204**	**103 524**
Cash/cash equivalents at the year end:	2	**132 933**	**154 848**	**354 999**	**550 351**	**670 190**	**670 190**	**258 204**	**103 524**	**85 470**

Cape Town International Convention Centre - Supporting Table SD2 Financial and non-financial indicators

Description of indicator	Basis of calculation	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure		0%	0%	0%	0%	0%	0%	0%	0%	0%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	482.5%	862.1%	1809.4%	1809.4%	7.7%	0.0%	0.0%
Safety of Capital											
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision / Funds & Reserves		6.2%	10.7%	5.9%	4.6%	3.6%	3.6%	3.7%	4.9%	5.3%
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	0%	0%	0%	0%	0%	0%
Liquidity											
Current Ratio	Current assets / current liabilities		3.84	2.87	5.94	11.58	13.50	13.50	5.09	1.80	1.47
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		3.84	2.87	5.94	11.58	13.50	13.50	5.09	1.80	1.47
Liquidity Ratio	Monetary Assets / Current Liabilities		3.65	2.64	5.77	11.26	13.19	13.19	4.78	1.49	1.15
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			106%	102%	104%	47%	91%	91%	100%	98%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		4%	8%	5%	7%	7%	7%	7%	7%	8%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))										
Funding of Provisions											
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions										
Other Indicators											
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1									
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2									
Employee costs	Employee costs/Total Revenue - capital revenue		22.2%	22.1%	22.4%	23%	23%	23%	25%	31%	29%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
Financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		3 717.5	4 099.2	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		192%	2.2	4.2	6.1	7.2	7.2	2.6	0.7	0.5

Cape Town International Convention Centre - Supporting Table SD4 Board member allowances and staff benefits

Summary of Employee and Board Member remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands		A	B	C	D	E	F	G	H	I
Remuneration										
Board Members of Entities										
Basic Salaries		144	208	445	289	850	850			
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Other benefits and allowances										
In-kind benefits	1									
Board Fees								873	926	981
Sub Total - Board Members of Entities		**144**	**208**	**445**	**289**	**850**	**850**	**873**	**926**	**981**
% increase			**44%**	**114%**	**-35%**	**91%**	**91%**	**3%**	**6%**	**6%**
Senior Managers of Entities										
Basic Salaries		1 283	5 946	4 850	5 543	6 057	6 057	6 469	6 909	7 379
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Performance Bonus										
Other benefits or allowances										
In-kind benefits	1									
Sub Total - Senior Managers of Entities		**1 283**	**5 946**	**4 850**	**5 543**	**6 057**	**6 057**	**6 469**	**6 909**	**7 379**
% increase			**364%**	**-18%**	**14%**	**25%**	**25%**	**7%**	**7%**	**7%**
Other Staff of Entities										
Basic Salaries		31 500	30 798	36 868	38 782	40 754	40 754	46 959	72 749	73 823
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Overtime										
Performance Bonus										
Other benefits or allowances										
In-kind benefits	1									
Sub Total - Other Staff of Entities		**31 500**	**30 798**	**36 868**	**38 782**	**40 754**	**40 754**	**46 959**	**72 749**	**73 823**
% increase			**-2%**	**20%**	**5%**	**11%**	**11%**	**15%**	**55%**	**1%**
Total Municipal Entities remuneration		**32 926**	**36 951**	**42 164**	**44 613**	**47 661**	**47 661**	**54 301**	**80 583**	**82 183**

Cape Town International Convention Centre - Supporting Table SD6 Budgeted monthly cash and revenue/expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousands	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source															
Service charges	–	–	–	–	–	–	–	–	–	–	–		–	–	–
Rental of facilities and equipment	6 240	9 750	9 357	10 268	6 753	3 561	1 969	10 561	5 386	12 049	5 304	10 170	91 367	125 481	140 067
Other revenue	10 217	11 140	11 279	13 501	12 499	6 485	4 513	15 290	8 608	11 966	13 706	4 988	124 190	132 168	142 403
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**16 457**	**20 890**	**20 636**	**23 768**	**19 252**	**10 046**	**6 482**	**25 850**	**13 994**	**24 015**	**19 010**	**15 158**	**215 558**	**257 649**	**282 469**
Expenditure By Type															
Employee related costs	4 350	4 350	4 350	4 350	4 350	4 350	4 655	4 655	4 655	4 655	4 655	4 055	53 428	79 658	81 202
Remuneration of Board Members	–	–	218	–	–	218	–	–	218	–	–	219	873	926	981
Debt impairment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Collection costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	2 482	2 482	2 482	2 482	2 482	2 482	2 482	2 482	2 482	2 482	2 482	2 482	29 790	31 527	32 250
Finance charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	6 846	6 837	6 839	8 955	7 538	5 224	4 336	8 755	5 800	7 617	6 404	43 101	118 252	171 996	185 065
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**13 679**	**13 669**	**13 889**	**15 787**	**14 370**	**12 274**	**11 473**	**15 893**	**13 156**	**14 754**	**13 542**	**49 857**	**202 343**	**284 106**	**299 498**
Capital expenditure															
Capital assets	39 274	44 477	49 409	49 781	48 079	43 822	42 154	40 027	36 896	35 439	33 066	32 896	495 319	170 438	35 724
Total capital expenditure	**39 274**	**44 477**	**49 409**	**49 781**	**48 079**	**43 822**	**42 154**	**40 027**	**36 896**	**35 439**	**33 066**	**32 896**	**495 319**	**170 438**	**35 724**
Cash flow															
Ratepayers and other	5 154	22 147	7 966	8 626	5 444	2 944	1 615	8 718	4 438	10 325	8 112	4 945	192 053	243 743	275 576
Grants												–	–	–	–
Interest	2 237	2 385	2 430	2 280	2 116	1 972	1 858	1 729	1 585	1 448	1 318	1 211	22 568	9 706	4 607
Suppliers, employees and other	(49 634)	715	(1 425)	(437)	(383)	(5 002)	(6 373)	1 917	(2 961)	(225)	(1 784)	(2 282)	(169 497)	(237 692)	(262 513)
Finance charges												–	–	–	–
Dividends paid												–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(42 243)**	**25 247**	**8 971**	**10 468**	**7 176**	**(87)**	**(2 899)**	**12 364**	**3 062**	**11 547**	**7 645**	**3 873**	**45 124**	**15 758**	**17 670**
Decrease (increase) other non-current receivables												–	–	–	–
Decrease (increase) in non-current investments												–	–	–	–
Proceeds on disposal of PPE												–	–	–	–
Capital assets	(39 274)	(44 477)	(49 409)	(49 781)	(48 079)	(43 822)	(42 154)	(40 027)	(36 896)	(35 439)	(33 066)	(32 896)	(495 319)	(170 438)	(35 724)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(39 274)**	**(44 477)**	**(49 409)**	**(49 781)**	**(48 079)**	**(43 822)**	**(42 154)**	**(40 027)**	**(36 896)**	**(35 439)**	**(33 066)**	**(32 896)**	**(495 319)**	**(170 438)**	**(35 724)**
Borrowing long term/refinancing/short term		20 000	18 209									–	38 209	–	–
Repayment of borrowing												–	–	–	–
Increase in consumer deposits												–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**20 000**	**18 209**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**38 209**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(81 517)**	**770**	**(22 229)**	**(39 313)**	**(40 903)**	**(43 908)**	**(45 053)**	**(27 663)**	**(33 834)**	**(23 891)**	**(25 421)**	**(29 023)**	**(411 987)**	**(154 680)**	**(18 054)**

ANNEXURE B

Table 1: CTICC's Key Performance Indicators

	Category	Measurement	Reporting Interval	Actual 2014	Annual Target 2015	Annual Target 2016
1	Operating Profit	Percentage achievement of annual budgeted operating profit	Quarterly	190%	100%	100%
2	Capital Projects	Percentage of the total number of capital projects for the year completed or committed	Quarterly	100%	80%	80%
3	Capital Expenditure	Maintain five star tourism grading through effective management of maintenance & quality of service delivery	3rd Quarter	Five Star Tourism Grading Council Certification	Achieve Five Star Tourism Grading Council	Achieve Five Star Tourism Grading Council
4	Capital Expenditure (CTICC Expansion Programme)	Achieve 100% of Milestones	Quarterly	N/A	100% of Milestones reached	100% of Milestones reached
5	Events	Number of events hosted compared to annual budgeted target	Quarterly	535	500	500
6	Events	Number of international events hosted compared to budgeted target	Quarterly	33	32	32
7	External Audit Report	Unqualified Audit Report for the financial year	Quarterly	Unqualified Audit Report for 2012/2013 financial year achieved	Unqualified "clean" Audit Report 2nd quarter)	Unqualified "clean" Audit Report (2nd quarter)
8	Human Capital Development	Percentage of annual total salary cost spend on training of permanent and temporary staff	Quarterly	5.2%	5%	5%
9	Minimum Competency Level	Number of senior managers registered for MFMA Competency Course	Quarterly	9	7	5
10	Customer Centricity and Service Excellence	75% of minimum aggregate score for all CTICC internal departments and external suppliers	Quarterly	82%	75%	75%
11	Procurement	Supply Chain Procurement from BBBEE suppliers measured ito of BBBEE Act	Quarterly	78%	Percentage spend not lower than 50%	Percentage spend not lower than 50%

ANNEXURE C

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30 January 2015

ACCOUNTING OFFICER QUALITY CERTIFICATION

I, **Julie-May Ellingson**, the accounting officer of Cape Town International Convention Centre Company SOC Ltd, hereby certify that the draft annual budget 2015/2016 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the parent municipality, the service delivery agreement with the parent municipality and the business plan of the entity.

Print name JULIE-MAY ELLINGSON

Title: **Accounting Officer**

Signature Ellingson Date 30.1.2015

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