CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE 36

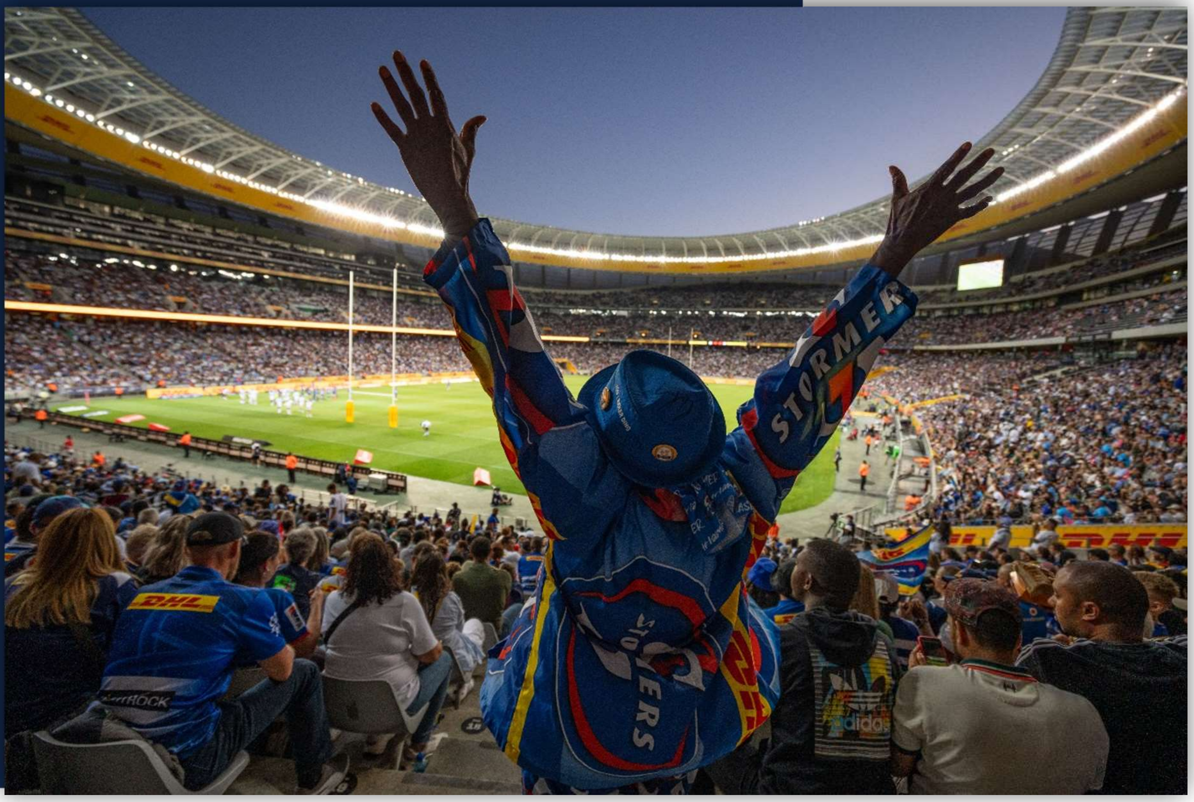
CAPE TOWN STADIUM (CTS) (MUNICIPAL ENTITY)

BUSINESS PLAN

2025/26 BUDGET (JUNE 2025)

CAPE TOWN STADIUM

CAPE TOWN STADIUM (RF) SOC LIMITED
5-YEAR BUSINESS PLAN



5-YEAR BUSINESS PLAN
2025/26 – 2029/30

DHL STADIUM

TABLE OF CONTENTS

ANNEXURES

ANNEXURE A: Organisational Structure

ANNEXURE B: Service Delivery Budget Implementation Plan (SDBIP)

ANNEXURE B1: Scorecard definitions

ANNEXURE C:

C1: Financial performance budget

C2: Statement of Financial position

C3: Cash Flow Statement

ANNEXURE D: Legal framework

EXECUTIVE SUMMARY

The overarching objective of Cape Town Stadium (RF) SOC Limited (CTS) is to achieve financial sustainability over time. With the establishment of a commercial event overlay, the securing of a naming rights partner, and our primary anchor tenant, the foundation is in place to advance the stadium's commercialisation efforts.

Over the next five years, CTS aims to achieve the following:

- **Host iconic events:** Build a robust annual calendar of iconic "bowl" events, building tradition in the events calendar that sees the return of bespoke events year on year;
- **Best use of non-bowl spaces**: Complement the bowl event schedule with the best use of non-bowl spaces for services such as conferencing, banqueting, trade shows and film shoots;
- **Build stakeholder relations:** Achieve a successful events calendar for the outer years through the securing of anchor tenants and long-term relationships that lead to repeat business;
- **Maximise commercial opportunity:** Maximise the use of other areas in the stadium precinct for commercial gain that complement the core purpose of the business, that of hosting iconic events; and
- **Prioritise target markets:** Prioritise events that can deliver against our selected target markets – those events that have a high spectator attendance and/or are broadcast. To make the most of scarce days.

DHL Stadium is an asset of the City of Cape Town that aims to be widely used by citizens of Cape Town, through the hosting of events that attract a high number of spectators. This effort will be complemented by property development initiatives that make the best use of the precinct, generating stable monthly income for the Municipal Entity (ME). This strategy will ensure that, over time, the ME is not solely dependent on event-related income streams.

1. WHO WE ARE

Cape Town Stadium (RF) SOC Limited was established as a Municipal Entity (ME) in 2018 with the goal of commercialising and managing the DHL Stadium. Positioned as a vibrant, iconic venue in the heart of Cape Town, the stadium is designed to host a variety of events and activities.

DHL Stadium is a state-of-the-art, multi-purpose facility with a maximum capacity of 62,000, encompassing support staff, spectators, and other event personnel. Its features include:

- **General Seating:** 51,000 spectator seats;
- **Hospitality Spaces:** 7,000 guests, including a Business Lounge with capacity for 2,100, and various hospitality suites;
- **Total Spectator Capacity:** 58,000.

Beyond its primary function as a sports and entertainment venue, DHL Stadium offers versatile event spaces regularly used for conferences, trade shows and film shoots throughout the year. The stadium and its broader precinct are also home to several tenants, including Stormers Rugby and a McDonald's restaurant.

1.1 Shareholding

The City of Cape Town is the owner of the DHL Stadium and its associated assets. The City and the ME signed a 50-year lease agreement in 2019, with a renewal option for a further 49 years. This lease provides for CTS to operate and commercialise the DHL Stadium within the applicable legal framework. The City of Cape Town is the sole, 100% shareholder of the ME.

The ME has a Board of Directors that functions with autonomy from its shareholder as envisaged by King IV. The Board is responsible for strategic oversight of the business, ensuring that the outputs of the organisation align to the approved business plan and the authorities' framework for financial, legal and governance decision making.

The City and the ME entered into a Service Delivery Agreement (SDA) in December 2018. This SDA outlines the services that the ME will provide under its mandate. This SDA is for the same duration as the lease agreement signed between the City and the ME.

The SDA also makes provision for the City to provide support functions, including but not limited to, human resources, staff secondment, legal, and training, finance and supply chain management. These services are reviewed every three years.

The SDA has been instrumental in equipping the ME with the necessary skills and expertise to establish and grow its operations. The ME has made substantial progress toward self-sufficiency and sets this as an objective for future years.

1.2 Board of Directors

While the City retains ownership of the ME, it has elected to appoint a Board of Directors composed primarily of non-executive directors. Together, the Board brings extensive experience and professional expertise aligned with the ME's strategic objectives and the nature of its business.

Mr. Peter-John Veldhuizen was reappointed as Chairperson of the Board in November 2023 for an additional three-year term. Non-executive directors generally serve a three (3) year term, provided that no non-executive director shall serve more than three (3) consecutive terms:

NAME	APPOINTMENT	TERM	END DATE
NON-EXECUTIVE DIRECTORS			
PJ Veldhuizen (Chairperson)	1 November 2023	3RD Term	31 October 2026
Viola Manuel (Vice Chair)	1 November 2023	3RD Term	31 October 2026
Samkelo Blom	1 November 2024	3RD Term	31 October 2026
Brett Hendricks	1 November 2023	1st Term	31 October 2026
Martin van Staden	1 November 2023	3RD Term	31 October 2026
Emma King	1 November 2023	1st Term	31 October 2026
Glenn Ho	4 October 2022	1st Term	31 October 2026
EXECUTIVE BOARD DIRECTORS			
Georgina Woodburn (CEO)	1 November 2023		
Fairoza Parker (CFO)	1 November 2023		

1.3 Board Sub Committees

The Board of Directors have established five subcommittees to assist them in fulfilling their mandate as directors. These subcommittees are:

AUDIT AND RISK SUBCOMMITTEE
• Viola Manuel (Chairperson) • Glenn Ho (Independent non-executive) • Tom Blok (City appointed member)

• Prittish Dala (City appointed member) • Lindiwe Ndaba (City appointed member)
EVENTS, MARKETING, COMMUNICATION AND COMMERCIAL SUBCOMMITTEE
• Martin van Staden (Chairperson) • Samkelo Blom • Brett Hendricks • Emma King • PJ Veldhuizen
FINANCE SUBCOMMITTEE
• Glenn Ho (Chairperson) • Viola Manuel • Brett Hendricks • Martin van Staden • Emma King
SOCIAL AND ETHICS SUBCOMMITTEE
• Samkelo Blom (Chairperson) • Viola Manuel • Emma King • Glenn Ho
REMUNERATION SUBCOMMITTEE
• Samkelo Blom (Chairperson) • PJ Veldhuizen • Glenn Ho

2. STRATEGIC FOCUS

2.1 Purpose, Vision, Mission and Values

Purpose Statement

The DHL Stadium continues to enjoy the unique market position of being the largest mass spectator venue in the Western Cape of South Africa. It is also the only sports and recreation stadium in the Western Cape that is categorised to host high risk events.

As a business, we aim to be dynamic and flexible, demonstrating the ability to host a variety of events of varying complexity including international and domestic rugby tournaments, Premier Soccer League matches, iconic concerts and an assortment of bespoke events. This ensures we live up to our purpose of being a multi-purpose stadium.

At the heart of our business is our commitment to provide a venue that can host spectacular and memorable events – ***to be the place where memories are made.***

Our Vision

To achieve global recognition as a world class stadium through the hosting of iconic experiences.

Our Mission

We achieve our vision of global recognition as a world-class stadium through the hosting of iconic experiences by:

- Enabling the creation of extraordinary events in collaboration with our partners, in an innovative and dynamic manner. We achieve this through team integration – ensuring that we understand and enable our client's objectives;
- Adopting a client-centric, solution-driven approach, ensuring that we provide a legislatively compliant, safe and secure environment for our clients and guests; and
- Taking care of our business and the stadium in a manner that is financially and environmentally sustainable, being mindful of our commitments to our stakeholders.

Our values

At the core of our values is the recognition that the satisfaction of our clients and guests is key to the achievement of our vision. We rely on repeat business, and to this end, it is imperative that our actions are underpinned by values that drive our day-to-day behaviour:

- **Integrity**

We hold ourselves and one another accountable and deliver on our promise to our stakeholders;

- **Innovation**
  We have a "can do" approach, are nimble, and open to change when working with our clients;
- **Excellence**
  We hold ourselves to the highest standards of service delivery for our clients, guests, and spectators;
- **Positivity**
  We nurture a positive approach and work with resilience and determination to deliver the best for our clients;
- **Collaboration**
  We believe our success lies in working together with stakeholders to achieve our objectives;
- **Courage**
  We are bold and brave and take responsibility for our actions;
- **Trustworthiness**
  We build credible relations and take care of ourselves and each other.

2.2 Strategic Objectives

In the first five years of the Municipal Entity's existence, the primary focus has been on establishing the entity and defining event-related activities and implementing the linked commercial overlay.

Key milestones include securing Stormers Rugby as the Anchor Tenant and DHL as the Naming Rights Partner. These achievements have significantly contributed to the ME's financial sustainability and enabled the introduction of the event day commercial overlay.

While there is still work to be done on securing events for the outer years, the outlook for CTS from an eventing perspective is positive.

CTS has set the following objectives for the next 3 - 5 years:

- **Drive towards financial sustainability**

With Stormers Rugby and CTS operating under the Anchor Tenant Agreement (ATA) since January 2023, the relationship between the parties is well established and the ME will look to drive new revenue streams together with Stormers Rugby to enhance event delivery and spectator experience in future years.

Underpinning the vision and mission of the ME is the objective of achieving long-term financial and operational sustainability. From a financial perspective, the ME has successfully established a robust calendar of bowl events that will set the foundation for future years. The strategy now focuses on attracting and hosting events that align closest to our target markets and can be repeated each year, building tradition in the events calendar. Springbok Test matches, HSBC SVNS, annually recurring concerts, and bespoke non-bowl events such as the Cape Town Marathon Expo, We Are Africa, and the Cape Town Cycle Tour serve as examples of these types of events.

It is the intention to diversify revenue streams in the next 3-5 years, using the stadium building and precinct as a catalyst in leasehold income. In the 2023/24 FY we prepared the offices for Stormers Rugby who commenced their office lease in October 2024. Through the City of Cape Town, we successfully auctioned the McDonald’s restaurant site, significantly increasing the rental value.

- **Event Acquisition**

DHL Stadium already hosts a significant portion of the broadcast sporting content available in the Western Cape. As the only venue certified to host high-risk events, it is uniquely positioned locally and on the African continent to compete on an international stage.

To capitalise on this advantage, CTS has initiated an international events acquisition plan with the aim of showcasing the unique attributes of DHL Stadium and the City of Cape Town as a premier destination for world-class events.

This strategy will evolve over the next 3 years, opportunistically seeking out engagements with conferences, summits, stadia and promoters primarily in Europe, the United Kingdom and Australasia. The objective is to secure bespoke events that are able to attract over 35 000 spectators, further cementing DHL Stadium's status as a global event destination.

This strategy will be delivered without compromise to our existing event organisers and rights holders by ensuring the selection of events hosted in the bowl is complementary, reinforcing the vision of DHL Stadium being a multi-purpose venue.

Attracting just under 750 000 spectators to the DHL Stadium in the 2023/24 FY, our objective is to reach 1 million spectators by the 2026/27 FY. The emphasis will shift from the number of events hosted to the quality of events hosted, with the primary measurement of success being the number of spectators and/or guests attracted to the DHL Stadium in any given financial year.

- **Remain a leading-edge stadium**

With the successful completion of the pitch replacement project in the 2023/24 FY, the next major area requiring capital investment is technology.

The groundwork for the implementation of capital projects has been completed in the 2024/25 FY, and it is anticipated that the following projects will be implemented in the 2025/26 FY:

- Wi-Fi Technology Upgrade: Enhanced connectivity will be introduced across various areas of the stadium;
- Big Screen Upgrade: The 2 big screens in the bowl will be upgraded to nearly double their current size, significantly improving visibility and enhancing the spectator experience and operational efficiencies;
- Turnstile Upgrade: In response to the shift toward digital ticketing, the turnstiles will be upgraded to ensure seamless scanning and entry for digital ticket holders;
- Bowl floodlight upgrade: While this project was implemented primarily to gain cost efficiencies in lighting, the new LED floodlights will also provide new capabilities to event organisers that will enhance the spectator experience; and
- Generator controller upgrade: This upgrade will allow better integration of generator systems with optimal lighting for both event and non-event days.

These technological enhancements not only promise operational and experiential benefits but also present new commercial opportunities. CTS will explore innovative ways to monetise these capabilities where possible to maximise their value.

- **Property Development and Management**

The events and entertainment industry is heavily influenced by both national and international factors. Large events such as World Cups are often hosted on a rotational basis, creating "good" and "bad" years in the eventing industry. An example of this is the financial impact of the Rugby World Cup in the 2023/24 FY, where there is no local rugby played for 8-10 weeks, and no inbound Springbok Test matches were hosted.

To mitigate this impact, it is important that the ME diversifies its revenue streams and creates income streams that are reliable and predictable. To this end, the ME initiated an investigation into potential property development initiatives within the stadium precinct. A suitable area on the east side of the stadium has been earmarked for development and initial diagrams have been designed.

Over the next three years, plans for property development will progress and include:

- Developing identified areas in the stadium structure for office space that can be leased to 3rd parties;
- Developing shop fronts and restaurants on the east side of the stadium;
- Developing a relationship with the Granger Bay development on the east border of the precinct to create a "commercial hub" between DHL Stadium and the Granger Bay development; and
- Commercialising the stadium parking garage in a manner that is complementary to the core business of hosting events.

By implementing a property development strategy, the ME will diversify its revenue streams in a manner that is consistent with global best practices for stadia by creating commercial links to accommodation, shops, restaurants, and other opportunities that operate on a 365 days a year basis, while continuing to deliver events within the stadium itself.

- **Enhance stakeholder value**

In the 2023/24 FY the ME re-designed the DHL Stadium website. While DHL Stadium was always active on social media, the website was outdated both in content and operating system. With the newly designed website, focus in the upcoming year will be on how best we can utilise the tools we now have at our disposal to communicate with rights holders, event organisers and spectators.

While we have always conducted feedback with stakeholders, in the upcoming year we will be able to automate many of our systems, which will provide a more consistent process with "dashboard" reporting on client feedback.

We will enter the new financial year with approximately 850 Business Lounge Members. The launch and subsequent acquisition of members has been a learning experience for both management and the marketplace, with the concept of "shared hospitality" not being readily understood by consumers. However, with the establishment of our membership base, the product has become very popular.

Over the next period, we will build on the product offering, developing the membership into a value proposition that extends beyond events hosted at the stadium.
We will look to add value-added services, networking opportunities and experiential activations to build on the foundation that has been established, with the aim of the Business Lounge becoming a premium, sought after proposition.

With a significant growth in media value in the 2023/24 FY, we have found that the sentiment of the general public and the media has taken a positive shift. We intend to build on this momentum in the upcoming years, creating more dialogue between ourselves and the media and actively communicating with spectators both before and after events to enhance the spectator experience.

We have found that the name DHL Stadium has gained traction with all event organisers and most media utilising the name of the stadium correctly. Our strategy will now be to maximise exposure around the attributes of the stadium experience and events hosted at the DHL Stadium to build brand affinity.

- **Maintain the asset**

With the stadium first becoming operational mid-2010, the 2025/26 FY will see the stadium reach a 15-year milestone. As the asset matures, it requires a more dedicated maintenance focus that will become project–based defined by specific long term maintenance requirements.

CTS, together with the City of Cape Town, is commencing a long-term readiness programme to ensure both the capital requirements and maintenance requirements are identified well in advance. A 15-year capital outlook will be prepared in the future based on the stadium's specific needs. In preparation for this, the ME reorganised its staffing structure to include a Head of Engineering. This appointment will be made in the near future and the process of medium to long-term maintenance and capital needs will be identified and managed in a plan between the City and the ME. In line with the Service Delivery Agreement and City of Cape Town Council approval, the capital spend remains the domain of the City, ensuring the asset will be preserved as a world-class facility over time.

Significant investment has been made in infrastructure to reduce the future utility bills with regard to electricity and water usage.
This savings will not be seen immediately and savings will be realised in the outer years. In the 2023/24 FY load shedding had a noticeable impact on the ME's expenses.

The first part of the phase 1 lighting replacement programme was concluded in the 2023/24 FY, with all halogen globes in certain sections of the building being replaced with LED lights. The balance of phase 1 will be delivered in the 2024/25 FY. Phase 2 of the lighting replacement programme will see the halogen bowl floodlights being replaced with LED lights in the 2025/26 FY. Not only will the LED floodlights be more efficient and cost-effective, but the updated technology will also offer more features to event organisers to enhance event delivery.

Phase 3 (final phase) of the lighting project under investigation focuses on the use of solar power and how best to incorporate it into the stadium structure, with the aim of enabling the stadium to become solar-powered and potentially feed back into the grid. The discovery work for this project has commenced, however there are many variables that still require analysis before a committed plan can be developed.

- **Long term asset preservation**

The stadium's maturation also demands a strategic approach to capital investments. In order to best manage the future capital requirements, a Building Information Model (BIM) will be developed for the DHL Stadium. This model will be developed together with the City of Cape Town, who remain responsible for all capital expenditure.

BIM provides a platform for the digitalisation of the stadium facilities to form the basis for a data-driven asset management system. The goal is to convert the current stadium information (as-built drawings and operation manuals) into a digital twin that fully integrates with the objectives of ISO 55000 asset management, capturing the asset condition and maintenance schedule information. The 15-year capital and maintenance programme will then be informed by a current data set from which risk can be assessed and preventative maintenance enabled through the prioritisation of spending.

- **Ensuring sound governance**

The ME has successfully received a "clean audit" for each year of operating since it was established in 2018 and achieved the same for the 2023/24 FY.

Through the SDA with the City of Cape Town, certain support services for the ME are facilitated by the City.

This includes:

- The provision of seconded staff;
- The provision of financial services via SAP;
- The provision of Enterprise Resource Planning (ERP) System; and
- Technical assistance in areas of, legal, human resource, information technology, finance and supply chain management.

It is the intention, that over the next 3 years, the ME will move towards being self-sufficient from an operational perspective. The first phase of this project is to scope the information technology requirements of the business to enable a move away from SAP and ERP. This process commenced in the 2024/25 FY and will continue in the 2025/26 FY with the securing of all necessary hardware together with operating licences to facilitate business processes. This exercise will run in parallel with the development or amendment of ME policies where required.

The ME organogram was revised in the first half of the 2024/25 FY. With this staffing structure now approved by the Board, the ME will commence with the employment of resources to fully enable the Supply Chain Management and Finance Department. This process will dovetail with the information technology and policy amendments to ensure that timelines align. The 3 main changes in the organogram are: 1) the inclusion of a Head of Technical to specifically care for the infrastructure needs, 2) a fully functioning Finance Department and 3) a fully functioning supply chain management function within the Finance Department.

With the ME having implemented the SAGE financial system in the 2022/23 FY, the groundwork for the establishment of a stand-alone financial system is well underway. The appointment of the envisaged staff will further enable this process.

The ME will continue to make use of the City for services such as Internal Audit, Risk Management, and Combined Assurance for the foreseeable future.

2.3 Key Stakeholders

CTS continues to enjoy the support of and conducts its business with an ever-expanding range of stakeholders and stakeholder groups. CTS acknowledges the importance of our stakeholders and aims to communicate in a transparent and meaningful manner with whom we interact with.

Our stakeholders include:

Governance • CTS Board Members • City of Cape Town • Western Cape Government • National Government	Internal stakeholders • Full time staff • Casual event day staff • Service Providers and contractors
Clients/Customers • Spectators/event attendees • Event Organisers • Tournaments and event rights holders • Advertisers and rights holders • Anchor Tenants	External Stakeholders • Media • General Public • Ratepayers Association • Immediate community • Broader Cape Town and Western Cape communities • National and international visitors • Tourism sector

3. 2023/24 FY HIGHLIGHTS

3.1 Event Acquisition and Hosting total of 127 events were hosted in the 2023/24 FY against a SDBIP target of 122. A total of 748 276 spectators were welcomed to the DHL Stadium during the year, against a target of 750 000.

QUARTER	TARGET EVENTS	ACTUAL EVENTS	TARGET SPECTATORS	CUMULATIVE SPECTATORS
Q1	25	31	222 296	100 853
Q2	60	65	411 351	331 204
Q3	100	100	689 801	585 268
Q4	122	127	750 000	748 276

Note: Cumulative quarterly performance

The ME hosted a total of 34 bowl events during the 2023/24 financial year, attracting a total of 552,102 spectators. Of these events, 16 were football events, 12 were rugby events and 6 were entertainment or lifestyle events, with the majority of rugby events broadcast internationally and the majority of football broadcast in South Africa and throughout Africa.

Bowl Events

The bowl events (sporting and concerts) with the largest spectator attendance included:

- HSBC SVNS: 9 – 10 December 2023 - 71 006 spectators
  HSBC SVNS has been hosted at DHL Stadium for a total of 7 years. Over these 7 events, a total of 673,268 spectators have attended the HSBC SVNS at DHL Stadium, averaging 96,181 attendees per year;
- DHL Stormers – Vodacom United Rugby Championship
  The event with the second highest attendance was the DHL Stormers vs Vodacom Blue Bulls on the 23 December 2023, attracting a crowd of 40 032 spectators. This was followed by the DHL Stormers vs Hollywood bets Sharks on the 30 December 2023, attracting a crowd of 37 247 spectators. The third local derby in the URC tournament between the DHL Stormers and the Emirates Lions was the stadium's 4th largest event with an attendance of 35 231; and
- The EPCR DHL Stormers vs. Stade Rochelais match on 6 April, 2023, drew 27,698 spectators, marking the fifth-largest attendance for the financial year. This was

followed closely by the Calabash concert on 31 January 2024, which hosted a total of 27,246 attendees.

The highest attendance at a soccer match was the local derby between Cape Town City FC and Orlando Pirates FC, attracting a total of 23 257 spectators.

This was followed by Cape Town City FC vs Cape Town Spurs FC on the 25 May 2023, attracting a total of 10 552 spectators.

Non-bowl events

The ME hosted a total of 61 non – bowl events and 32 film shoots during the 2023/24 financial year, attracting a total of 196,174 number of attendees. The largest film shoot hosted was for a set of 250 people.

Bespoke events that aligned the closest to our target markets included:

- Cape Town Cycle Expo 7 – 9 March 2024 - over 39 000 attendees
- Cape Town Marathon Expo 12-15 October 2023 - over 20 000 attendees
- We are Africa – 7-9 May 2024 – over 3 900 attendees

3.2. Commercial Growth

Stormers Rugby became DHL Stadium's Anchor Tenant on the 1 January 2023. This secures approximately 12 – 15 matches per year and forms the foundation of the event commercial overlay.

The event commercial overlay consisting of hospitality, liquor distribution, product suppliers and general public food and beverage concessionaires was implemented for the majority of bowl events hosted at DHL Stadium. Stormers Rugby matches attracted a total of 334,641 spectators to DHL Stadium in the 2023/24 FY.

The 2023/24 FY saw the implementation of international events acquisition efforts, to position the DHL Stadium as a world-class stadium that can meet the strict standards of the participation agreements of international tournaments.

This strategy will continue in the 2025/26 FY, broadening the reach of event acquisition to Europe, the United Kingdom and Australasia.

In the 2022/23 FY, DHL Stadium launched its Business Lounge offering. The concept of purchasing a "membership" for a particular set of events was a new concept to the market. The Business Lounge Memberships have proved to be successful over time, with the stadium having a total of over 800 members by the end of the 2023/24 FY. The ME will continue to grow its membership base to a capacity of 1 200 members. The new financial year will see a renewed membership offering, enhancing the product by including various add on benefits such as wine tastings, network breakfasts and other unique experiences.

The first phase of the property development strategy was implemented in the 2023/24 FY.

This saw investigation into the development of a retail corridor with general public access on the east side of the stadium structure. These plans will progress in future years, with the intent of creating additional revenue streams that are not event related.

An assessment was also conducted on all leases and potential leases. This resulted in the McDonald's site, which falls within the ME footprint, being auctioned on the 20 June 2024. This resulted in the lease rental escalating from R134 884 to R420 000 per month, a financial gain that will be realised in the future years.

3.3. Building affinity to the DHL Stadium brand

In the 2023/24 FY the total media value achieved was R42 618 648 against a prior year value of R20 378 224. The growth was primarily attributed to online presence. The broadcast value dropped from R8 255 823 to R4 698 197 year on year. This is mainly attributed to Formula E and Rugby World Cup Sevens broadcast that was included in the 2023/24 FY as well as the DHL Stormers reaching the play off stages of the Vodacom URC Tournament in 2022/23 FY and not having the same success in the 2023/24 FY*. [1]

The website (www.dhlstadium.co.za) underwent a redesign in the 2023/24 financial year and the new DHL Stadium website was launched in June 2024. This redesign has significantly enhanced the stadium's digital presence, providing greater flexibility in content management and improved user experience. The website now serves as an essential information portal, offering detailed resources for event organisers, real-time updates for spectators, and streamlined services for clients. Features include

[1] *Reference: Report compiled by Focal Points on behalf of the City of Cape Town

enhanced navigation, integrated booking capabilities, and comprehensive venue information, making it a valuable tool for all stakeholders engaging with the stadium.

Economic Impact Assessment

2022/23 Financial Year

In the 2022/23 FY DHL Stadium achieved a total economic impact of R4.6 billion (direct, indirect and induced impact of direct spend. Additionally, the total contribution to annualised jobs created or sustained due to the direct spend was 9, 054. [2]

2023/24 Financial Year

In the 2023/24 FY, DHL Stadium achieved a total economic impact of R3.3 billion in Cape Town (Direct, indirect and induced impact of direct spend. [3]

The total contribution to annualised jobs created or sustained due to the direct spend was 6 176.

The decrease in economic impact and job creation from the prior year can be attributed primarily to the following factors:

- **Formula E**
  - This event was hosted in the 2022/23 FY but was cancelled in the 2023/24 FY. There was significant local and international broadcast value associated to the event;
- **Rugby World Cup Sevens**
  - A World Rugby event hosted in 2022/24 FY and broadcast globally;
- **DHL Stormers' URC Tournament Performance**
  - DHL Stormers did not make it to the playoff stages of the URC Tournament in the current year under review, whereas they did in the prior year;

---

[2] Reference: Economic Impact report for the DHL Stadium for the 2022/23 Financial Year. Prepared by BDO Advisory Services (Pty) Ltd.)

[3] Reference: Economic Impact report for the DHL Stadium for the 2023/24 Financial Year. Prepared by BDO Advisory Services (Pty) Ltd.)

- **Absence of a Springbok Test Match**
    - There was no Springbok Test match hosted at DHL Stadium in the 2023/24 FY due to it being a Rugby World Cup year.

This shift in economic value between the past two years highlights the importance of the ME's event acquisition strategy. To ensure long-term sustainability and value creation, the focus is on securing global, world-class events annually. While the ME has successfully secured local broadcast content and various concerts, future efforts will prioritise targeting events that align closely with our key markets to maximize revenue potential.

3.4 Maintaining the asset

As part of the Service Delivery Agreement between the City of Cape Town and the ME, the ME is responsible for the maintenance and preservation of the asset as a world-class stadium that can meet the requirements of participation agreements for international football and rugby tournaments.

The pitch replacement process took place between July and September 2023. The new pitch is an international standard, hybrid grass system similar to the pitches that can be found at Twickenham, Wembley Stadium and Stade de France. The hybrid pitch offers enhanced durability and is capable of withstanding 6 times more traffic than a natural grass pitch. The benefits of the hybrid pitch are apparent. It is a more durable surface which enables more events to be hosted with a faster turnaround time between events.

3.5 Cost efficiencies

The greatest expense challenge facing the ME is the increased use of diesel due to load shedding. This variable expense is difficult to control. Many of the stadium IT systems require to be "always on" to prevent damage to the system and ensure a safe environment. The stadium relies on its own backup generators, which are activated whenever load-shedding occurs.

At the beginning of the 2023/24 FY, CTS began the process of replacing the 15-year-old halogen bulbs with LED lights. This project is structured into 3 phases and takes into consideration the current stadium needs and future opportunities to utilise solar power as an energy solution for the stadium.

The 3-phase approach is:

Phase 1	Replacement of all halogen globes with LED lights	2023/24 and 2024/25 FY Scheduled for completion December 24
Phase 2	Replacement of halogen flood lights with LED lights	Scheduled for 2025/26 FY
Phase 3	Best use of solar	Currently under investigation

The replacement of the bowl floodlights will not only increase energy efficiency but will also modernise the stadium and offer new technology to event organisers.

3.6 Technology

In the 2023/24 FY, groundwork was undertaken to prepare for the future upgrade of various systems. These upgrades planned for the 2024/25 and 2025/26 FY include:

- Upgrading the network backbone and switches to support additional equipment;
- Upgrading servers, software, and wireless controllers to the latest technology;
- Enhancing network security and firewalls;
- Upgrading turnstile hardware to enable full digital scanning for improved efficiency during mass entry;
- Replacing big screens with new ones double the current size and featuring the latest technology;
- Upgrading the public address system; and
- Upgrading the fire system to incorporate the latest control technologies.

The City of Cape Town's investment in technology will ensure that DHL Stadium stays at the forefront of technological advancements. This not only promotes a safe operating environment, but also significantly enhances the overall spectator experience, aligning the stadium with global standards.

3.7 Governance

The ME has a total of 16 Board approved policies. An exercise is currently underway to align all Standard Operating Procedures (SOP's) to the relevant policy. In the course of this process, the need for a Repairs and Maintenance Policy has been identified and will be developed and implemented in the 2025/26 FY.

The Company Secretariat is outsourced to Kilgetty Statutory Services (South Africa) (PTY) Limited. The Board of Directors held 5 board meetings and 1 special board meeting during the financial year. A strategy session was also held with Board Members and Senior Management in January 2024 to share knowledge and insight and inform the deliverables of the 2024/25 Business Plan.

The following legislative compliance processes were completed during the 2023/24 FY:

- The ME Risk Register was completed each quarter and presented to each subcommittee and the board of directors. The City of Cape Town provides administrative support for this function;
- The ME Combined Assurance process was completed and presented to the board of directors. The City of Cape Town provides administrative support for this function; and
- The ME SDBIP was completed quarterly and presented to each subcommittee and the board of directors. The City of Cape Town provides administrative support for this process.

The ME has also embarked on an exercise to develop greater independence from the City of Cape Town with regards to support services. This strategy will be progressed in future years.

4. CONTEXTUAL LANDSCAPE

4.1 Industry Landscape

The period from 26 March 2024 to 31 December 2024, marked 261 days without load shedding in South Africa. The current outlook remains positive and there is no load shedding anticipated for the foreseeable future.

Load-shedding in South Africa has significantly impacted all business sectors, with the events industry facing substantial challenges. Event suppliers encountered rising operational costs, which increased overall event production expenses. The unpredictable power outages created uncertainty around event delivery, affecting both current and future event planning.

Despite these challenges, DHL Stadium saw growth in bowl events during 2024, with three new promoters successfully hosting events between January and December 2024, reflecting increased interest from new event organisers.

The pre-COVID19 trend of bowl events selling out within 2-4 days has not returned, with event ticket sales taking place over a longer period. This has required promoters to become more resilient and financially astute. But over time this has also stabilised to be the "new norm", with spectators ultimately responding to appealing content and purchasing tickets.

Service level standards within the industry have also stabilised, driven by market forces of supply and demand. The local events industry now has a robust network of experienced suppliers capable of consistently delivering bowl events. Rights fees for tournaments and artists remain high when paying for the artist or tournament rights in foreign currency and selling spectator tickets in local currency. This is balanced by the ability to attract capacity crowds for certain sporting events, making the DHL Stadium an attractive venue for global broadcast.

As we move into the financial year, we look forward to costs savings on diesel in the future months and the positive impact that the absence of load shedding is contributing to the economy.

4.2 External Environment /Pestle Analysis

The macro-environmental analysis with regards to the political, economic, social, technological, environmental and legal (PESTLE) landscape was revisited and updated given the changing business environment that the ME operates in.

The high-level findings of the updated PESTLE analysis are as follows:

POLITICAL • 2026 Municipal elections; • Government of National Unity implementation; • Sports broadcasting services bill 2021, potential consequences.	**ECONOMIC** • Low disposable income; • Shift towards on-line purchases and payments; • Rand/Dollar/Euro exchange impacts on securing international artists; • Return of load shedding; • Recession.	**SOCIAL** • High crime rate/homelessness within the broader precinct; • Increased use of digital platforms vs live content; • Content consumption – watching live while streaming content.
TECHNOLOGY • Fast pace of technology changes globally and the need to remain abreast to be "world class"; • Automated, self-payment systems and other consumer enabling digital products; • "Always on" consumer expectation.	**LEGAL** • New event organisers entering industry; • Higher demand for rights delivery and protection of rights; • Image rights and protection thereof; • National Protected Events classification.	**ENVIRONMENTAL** • Potential raise in temperatures and unpredictable weather patterns due to the impact of global warming; • Shift in consumer behaviour towards environmental consciousness; • Consumer actively engage in product value chain and whether it is environmentally contentious

4.3 Internal Environment

DHL Stadium is the only stadium in the Western Cape that has the capacity to host more than 40 000 spectators at an event. It is situated in an area that is well maintained with options for public transport including the MyCiTi Bus Service and various e-hailing services.

The surrounding precinct of the stadium offers easy access and egress, with large crowds dissipating quickly and efficiently into the surrounding areas. It is flanked by the Victoria and Alfred Waterfront on the north and the Green Point Park and the Metropolitan Golf Club on the west. The south offers vibrant restaurants, coffee shops, bars and hotels, which flow into the fan walk which is activated on large event days allowing spectators to walk to and from the city centre safely.

While the core business of the stadium is to host iconic bowl events that have a spectator capacity of between 20 000 – 58 000, the stadium has several other eventing spaces that can be utilised most days of the year. So, while most visitors come to the stadium on a bowl event day, corporates and guests utilise the various venue options throughout the year.

Aside from eventing, the ME manages several leased areas within the precinct and will look to extend their property development and management portfolio in future years with the aim of diversifying income streams.

4.4 SWOT Analysis

<table>
<tr>
<td>STRENGTHS
• World-class, multi-purpose facility that is exceptionally well maintained;
• Geographical location and accessibility;
• Capital investment for upgrades by City of Cape Town;
• Established track record with event organisers;
• Busy bowl events calendar – high demand;
• Strong corporate governance;
• Competent staff and service provider network;
• Public support by the City of Cape Town;
• Proactive and competent board of directors and senior management team.</td>
<td>WEAKNESSES
• Complexity of service offering (non-bowl spaces);
• High utility costs;
• High cost of hosting mass spectator events in Cape Town;
• Low supplier competency in the selling of inventory;
• Small team with periods of very high demand;
• Lack/out of date technology to enhance spectator experience;
• High cost and long lead time of event attraction;
• Traffic congestion on event days.</td>
</tr>
<tr>
<td>OPPORTUNITIES
• Promote DHL Stadium attributes internationally;
• Promote conferencing and other venues locally;
• Strengthen relations with rights holders and event organisers to encourage repeat business;
• Diversify revenue streams through property development and management;</td>
<td>THREATS
• Spectator fatigue for live sporting events and concerts, demonstrating a preference to “stay at home”;
• Continued economic challenges within the industry making the cost of hosting events prohibitive;
• Crime and its impact on the appeal to the international markets;</td>
</tr>
</table>

• Collaborate with City, tourism industry for event attraction; • Opportunity to collaborate with TMP, PRASA and MyCiTi.	• Promoters electing "not to come to South Africa" due to low revenue and high crime statistics; • Lack of public transport.

5. CTS PURPOSE AND SERVICE MANDATE

5.1 Service Delivery Agreement (SDA)

A SDA was signed between the City of Cape Town and the Municipal Entity on 15 November 2018. The City Support Services as provided for in the SDA were renewed for a further 3-year period in October 2023.

CTS continues to comply with its responsibilities as outlined in the agreement. The salient provisions of this SDA are:

PERIOD OF AGREEMENT	The period of agreement is 50 years from the commencement date. The City may, at its sole discretion extend the Service Provider's (ME's) appointment for a further period of 49 years.
FUNDING	The City will provide the grant and allocation to cover the Entities operational expenditure in terms of an approved budget and provide support services. The stadium will be responsible for all maintenance, which will be based on the City's maintenance standards. The City will be liable for all capital expenditure.
STAFFING	The City will second staff members to the Entity with the concurrence of the staff members concerned. Staff currently employed at CTS will remain as City employees, seconded by the City on a 3-year term, will be paid by the City and will receive their standard benefits including bonuses and leave pay. The ME may appoint additional staff.
SERVICES PROVIDED	General facility maintenance & event support operations, Events and entertainment services management, Commercialisation, marketing and hospitality management, Finance, legal and administration management.
OWNERSHIP	The City of Cape Town is 100% shareholder.

OVERSIGHT	The Finance Directorate (Treasury Department) of the City monitors the SDA and related performance and compliance of the municipal entity.
CITY OBLIGATIONS	The City will provide dedicated and prioritized support (City Support Services) with regards to accounting, financial management and budgeting per MFMA, including utilisation of the SAP (Systems, Applications and Products) System as used by the City and Supply Chain Management support, legal, company secretary, brand management and communication. In addition, the city must provide dedicated and prioritized services regarding human resource management support, as well as internal audit and risk management support including oversight over the service provider's audit committee.

5.2 Execution of Service Delivery Mandate

This business plan, together with the Service Delivery Budget Implementation Plan (SDBIP) targets and scorecards of the Entity has been developed to ensure focused implementation and execution of its legislative and contractual mandate, obligations and responsibilities (Annexure B).

The following operational deliverables in terms of the SDA continue to be executed in terms of the provisions of the SDA between the City and CTS:

- **Technical Maintenance of the stadium**
  Asset management and maintenance: ICT services and infrastructure support (including ticketing, advertising, audio-visual,), safety and security, capital projects, refurbishment and investment projects;
- **Events and entertainment services management**
  Bowl and non-bowl event scheduling; planning and execution; development and hosting of signature events; managing of events industry and service provider requirement; events leveraging and bidding processes;
- **Commercial, marketing and hospitality management**
  Advertising; merchandising; supplier and pouring rights; ticketing; hospitality; sponsorships; tourism; marketing of bowl and non-bowl facilities; property development and management; commercial legal services;

- **Internal company service management**
  Establishment and management of structures, systems and processes relating to legal, governance, compliance, HR, administration, and such additional services as the City may require from time to time;

- **Finance Management**

  Financial accounting, reconciliation and reporting. Supply chain management and contract management.

5.3 Alignment to City IDP

CTS will continue to conduct its business in accordance with the key pillars and objectives of the City's current 2022-2027 IDP.

The business planning of all DHL Stadium Departments is aligned with the following City of Cape Town Strategic Focus Areas:

- **Strategic Focus Area 16.A: A capable and collaborative City of Cape Town**
  - 16.1 Operational Sustainability Programme;
  - 16.2 Modernised and Adaptive Governance;
  - Investment and Partnership Development Programme;
  - Sustainable Entities.

- **Strategic Focus Area 11: Public space environment and amenities**
  - 11. Quality and safe Parks and Recreation Facilities supported by Community Partnership;
  - 11.1 Quality Social Facilities Programme (Major Event Hosting Facilities and maintenance initiative.

- **Strategic Focus Area 1: City of hope: Inclusive economic growth**
  - Increased jobs and investment within the Cape Town Economy;
  - Inclusive economic development and growth (Major Event Hosting Facilities and Maintenance initiative.

The ME is an enabler of economic growth within the broader Cape Town and the Western Cape. To this end the ME intends to conduct economic impact assessments on an annual basis to demonstrate the value that is derived from the hosting of events at DHL Stadium.

5.4 Governance

As an organisation, CTS, its Board of Directors and management have adopted and will continue to conduct its business operations in line with the ethical, moral and compliance principles as set out in King IV.

The Entity's Board, its members and management will continue to place a strong focus on the upholding of high standards of corporate ethics, fiscal management and corrupt-free practices.

CTS has established comprehensive departmental strategies, policies, and Standard Operating Procedures. Through effective management processes, the company operates in a manner compliant to all relevant legislation.

The ME has a total of 16 board approved policies. These policies are reviewed every 2 years, with the last review taking place in the 2023/24 FY.

An exercise is currently underway to align all Standard Operating Procedures (SOP's) to the relevant policy. In the course of this process, the need for a Repairs and Maintenance Policy has been identified and will be developed and implemented in the 2025/26 FY. The Business Continuity Plan will also be included as an item for Board approval in the next financial year.

Kilgetty Statutory Services (South Africa) (Pty) Ltd will continue to act as company secretary for the next financial year.

The City of Cape Town's Internal audit department supports the entity in terms of providing the internal audit function. Internal provides an independent objective assurance on the entity's processes and control environment based an annual audit plan approved by the board. The internal auditors also facilitate and assist with the risk management process and objectively evaluates the risks identified. Internal audit may also at times provide an advisory service to add value and improve on the entity's processes and operations.

6. DEPARTMENTAL PLANS

The departmental plans provide an overview of each department's mandate, objectives and plans that will be implemented to support the overall objectives of the organisation.

6.1 Marketing and Commercial Department

As the custodian of the DHL Stadium brand and commercialisation initiatives, the Marketing & Commercial Department has over the last year been integral in the promotion of new services such as the Business Lounge Memberships as well as engaging with the media to inform our guests of event day arrangements and how best to access and benefit from a visit to the DHL Stadium.

Strategic Objectives 2025/26 – 2029/30

Marketing

- Promote and build affinity to the DHL Stadium brand through engagement with the general public and business community;
- Communicate effectively with stakeholders conveying the purpose, vision and value proposition of the organisation;
- Establish strategic partnerships with media outlets and key industry stakeholders to enhance brand visibility; and
- Build and maintain "owned platforms" such as the website, databases and social media channels to increase engagement and facilitate information sharing.

Commercialisation

- Drive new and maintain existing commercial revenue streams to ensure long-term financial sustainability;
- Identify, develop and implement plans to diversify the stadium's revenue streams by offering innovative products and services; and
- Measure and improve the quality-of-service delivery across all deliverables, including spectator experiences and event organiser satisfaction.

Departmental Plans 2025/26 FY

- **Build affinity to the brand**

CTS will continue to implement communication with stakeholders that leads to a stronger affinity to the DHL Stadium brand. To achieve this, a quarterly communications plan will be developed that is aligned to topical discussion points and the events calendar.

The value of the DHL Stadium brand and the associated events hosted at the DHL Stadium will be measured through an economic impact assessment and media monitoring. These results will be measured against prior years, with the intention to show a positive upward trend.

Additionally, the Marketing and Commercial Department will actively engage with stakeholders in linked industries, such as hotel groups, Wesgro, Cape Town Tourism, SA Tourism and similar organisations. These partnerships will serve to promote DHL Stadium collectively, increasing its visibility in the broader tourism and business sectors.

- **Enhancing the event organiser and spectator experience**

With the website redesign completed in the 2023/24 FY, the department will now actively utilise this platform as a source of information for both event organisers and spectators. This will help streamline communication and improve the overall event experience for all stakeholders.

Now that the commercial model has been fully implemented, the way the podium is used has changed significantly. Prior to 2020 events attracting over 30 000 spectators were few and far between. It is now the norm to service events of this magnitude. The podium facilities and existing structures will be benchmarked against national and international standards with the aim of developing a plan for the podium service delivery which will be relevant for the next 5 – 10 years.

The anticipated replacement of big screens and the implementation of WIFI will offer new opportunities for spectator engagement, which will be promoted to event organisers as part of an enhanced fan experience. These technological upgrades will further drive fan engagement during events.

To improve wayfinding and signage within the stadium, the department will review current systems and develop a user-friendly directional signage communications plan. This will help visitors navigate the venue more easily and contribute to a smoother overall spectator experience.

In the 2024/25 FY CTS developed its first packaged service for non-bowl events with the implementation of the Government Conference Package. This has proved to be successful. We intend to package more non-bowl services by linking suitable areas to appropriate hospitality packages so that the pricing of non-bowl services is more user-friendly.

- **Engage with the local and international community**

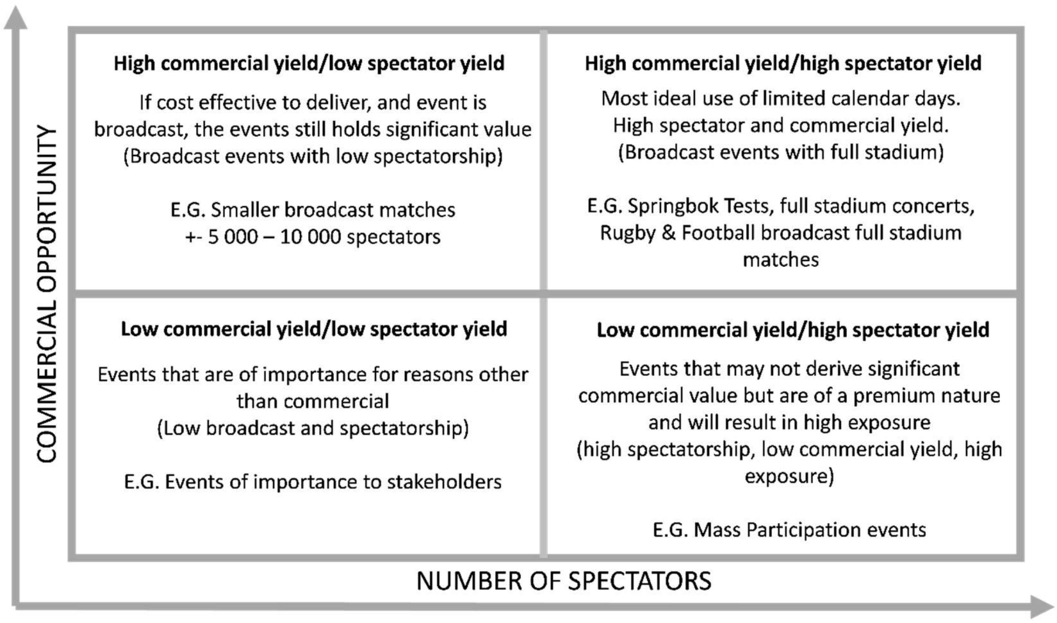
In the 2024/25 FY, the ME set the objective of expanding networking efforts both locally and internationally to benchmark and increase exposure to the DHL Stadium. This strategy has already proven successful in the UK and Australasia. In the 2025/26 FY we intend to further broaden our focus to include Europe and America, establishing new connections and increasing DHL Stadium's global footprint.

Locally, the department will continue its efforts to promote DHL Stadium within the South African market. Strengthening relationships with local stakeholders, including tourism bodies and businesses such as Wesgro, Cape Town Tourism, SA Tourism and similar, will remain a priority.

- **Promote services & products to target markets**

In prior years we identified the target markets for bowl events and have remained focused on attracting events that align most closely to the ideal target market. This action has seen a focused effort in securing bowl events that have a high spectator and commercial yield.

Bowl Target Markets



This strategy has been extended to include the target markets of non-bowl events. The target market identified as the most beneficial for non-bowl events is mid-week corporate conferences or expos of between 200 – 2 000 pax. Tailored packages will be developed to make non-bowl services more accessible and user-friendly for event organisers.

Non-bowl Target Markets

- **Build positive relationships with stakeholders**

CTS has broadened its stakeholder engagement to include the tourism and business sectors in South Africa. The ME will continue to foster and strengthen relationships with related industries and businesses to ensure that DHL Stadium remains a key destination for both business and leisure events.

Strategic relationships such as DHL and Stormers Rugby, will remain essential to the stadium's success. The extension to the DHL naming rights term has been approved by the Board of Directors and the City Council and will be implemented in the 2025/26 FY.

- **Marketing & Promotion campaigns**

With the target markets clearly identified for both bowl and non-bowl events, the marketing department will run promotions campaigns linked to various products and services. This marks a shift in focus from awareness-building to actively supporting the sale of products and services that align with the stadium's offering.

Focus areas for the year will include:

- Business Lounge memberships;
- Hospitality packages;
- Stadium Tours; and
- Non-bowl event spaces.

The Marketing Department will continue to produce marketing collateral and public relations initiatives to support the international exposure strategy, ensuring that DHL Stadium is positioned as a leading global destination for events.

6.2 Operations and Technical Department

The Operations & Technical Department oversees event and operations management, building and infrastructure maintenance, and the acquisition and execution of all events at DHL Stadium. The department focuses on three core areas:

Enquiry management and event acquisition

- Champion events acquisition initiatives with the aim of securing a robust calendar of events for future years, considering commitments with existing Anchor Tenant and Event Organisers;
- Manage client enquiries and booking requests with the objective of maximising the value generated from events hosted; and
- Ensure departmental alignment and collaboration to deliver optimal client service.

Operations

- Assist event organisers in the planning and delivery of event requirements;
- Ensure the successful service delivery for all events hosted at DHL Stadium, in line with legislation including the Safety at Sports and Recreation Act, 2010 (SASREA) with a particular focus on spectator experience.

Technical / Building & Infrastructure Management

- Manage all technical service providers such as cleaning, safety, security, information technology and general maintenance;
- Maintaining and preserving the asset of DHL Stadium, ensuring that it remains a world-class multi-purpose facility that can attract and host international and domestic showcase events;
- Provide technical support to identified future revenue streams to ensure alignment between business objectives and technical capabilities;
- Implement, monitor and enhance environmental sustainability initiatives through measurable targets; and
- Implement CAPEX projects.

Strategic Objectives 2025/26 – 2029/30

The department has set the following strategic objectives:

Event hosting

- Secure a robust calendar of events including bowl and non-bowl events such as conferences, trade shows, film shoots and other bespoke events;
- Provide client service, strategic and operational support to event organisers for seamless event delivery;
- Implement environmental management systems; and
- Ensure all events comply with relevant legislation including SASREA.

Asset maintenance and preservation

- The maintenance, management and preservation of the DHL Stadium, ensuring that it remains a world-class multi-purpose facility that can attract and hosting international and domestic showcase events.

Technical Operations

- Timeous appointment and optimal management of technical service providers including safety, security, cleaning, information technology and other maintenance contractors; and
- Supporting the technical delivery of all events hosted at the stadium to a world-class standard.

Property Development and Management

- With the assistance of the commercial department, plan and evolve strategies that identify areas where efficiencies can be realised in the stadium super structure, with the aim of reducing expenditure over time. A particular focus will be placed on energy and other utility service efficiencies;
- Plan and evolve strategies for the best use of the stadium precinct to evolve revenue opportunities within the municipal entity footprint;
- Plan and evolve property management skills to play a role in the broader City managed precinct where our existing skills could be utilised; and
- Work closely with the City of Cape Town Engineering Department to ensure all planning is in line with the legislative framework and financially viable.

Integrated Event Management

The department ensures an integrated approach towards the implementation of its objectives through:

- Management of the Integrated Events Forum that ensures all departments collaborate to offer the best service and solutions to our clients and spectators;
- Application of project management principles and processes;
- Development of operational plans and guidelines for each event hosted; and
- Monitoring and tracking of outputs to ensure accurate reporting; and
- Monitoring and implementation of contract and lease management obligations together with SCM.

Departmental Plans 2025/26 FY

- **Event hosting**
  It is anticipated the bowl event calendar will be busy for the 2025/26 FY, following the same trend as we have experienced in the 2024/25 FY. While the SDBIP target is set at 135 events, the focus has shifted towards revenue and spectator/guest attendance as being the primary markers of success. By focusing on our target markets, the intention is to achieve higher spectator and revenue numbers while hosting a similar number of events. This is reflective in the outer year SDBIP target number of events.

Broadly, our bowl events targeted for the 2025/26 FY will include:

Activity	Number	Timing
Rugby – Currie Cup	4-5	July 25 – August 25
Rugby – United Rugby Championship	7-9	September 25 – June 26
Rugby – EPCR	2	Dec 25/Jan 26
Rugby – Springbok Test	1	Q1/2
HSBC SVNS (tbc end Jan 25)	1	Dec 25
Soccer – Premier Soccer League	10 - 12	May 25 – February 26
Soccer – International	1	Sep 25 – Nov 25
Concerts – various promoters	4-5	Summer months
Targeted number of bowl events	**35 - 45**	

There has been significant interest in the non-bowl event spaces over the last year. This has resulted in the hosting of several conferences being held at the DHL Stadium for the first time.

With our target markets, clearly identified, we will focus on securing events that align to our target markets to ensure the best use of space. For the 2025/26 FY, we anticipate the following event breakdown:

TYPE	2024/25 FY	2025/26 FY (Projected)	2026/27 FY (Projected)	2027/28 FY (Projected)
Bowl events	35	35	35	35
Non-bowl events	70	70	70	70
Film Shoots	30	30	30	30

- **Event Acquisition Plan**

With the Integrated Events Forum well established and various departments working together to service the needs of our clients, the focus has shifted towards organising the process of events acquisition.

The Events Acquisition Plan is in the process of being drafted and will be implemented in the 2025/26 FY. This plan aims to inform the promotion, management of enquiries, booking, contracting, and payment process of each event booking. The plan specifically focuses on managing risk within the contract process to ensure that any risks identified are mitigated timeously.

The Marketing and Commercial Department will develop a "handbook" for event organisers so that the process is clearly defined. This will assist in clarifying the process of booking the DHL Stadium and at what point the event organiser will be required to commit to the booking.

- **Value added services to event organisers**

While the primary revenue for eventing is generated from venue rentals, CTS continues to enhance its value proposition by offering additional services to event organisers. These services are particularly critical in enabling organisers to deliver seamless events while supporting the stadium's ability to host back-to-back and multi-use events.

In the 2024/25 FY, the City invested capital to acquire furniture and equipment that allows CTS to package services at market-related prices for conferences. Moving forward, CTS will continue to offer value-added services, ensuring cost-efficiency for organisers while maintaining a competitive advantage.

Key services will include:

- Pitch protection systems to facilitate multi-use events and reduce impact on pitch;
- Fencing solutions for varied event layouts;
- Furniture suitable for diverse event needs;
- Electronic big screens and enhanced AV capabilities to support event flexibility; and
- Wi-Fi services for portions of the stadium to meet the expectations of modern event organisers and attendees.

These offerings not only enhance the organiser experience but also ensure that the stadium can meet the demands of hosting consecutive events with minimal downtime, positioning DHL Stadium as a versatile and reliable venue for a broad range of event formats.

- **Property Development and Management**

  International best practice shows that stadiums rely on property development to create secure, annuity income streams. In prior years, the ME identified property development to diversify revenue and put plans in place to realise this objective. The ME is now entering the 2nd year of this planning phase.

  A section of the east side of the stadium has been identified as the ideal area for property development. The concept phase of this development is being prepared in the 2024/25 FY. In the 2025/26 FY we intend to progress this plan from concept phase to detailed diagrams and identify the preferred funding mechanism for the project.

  This area is adjacent to the Granger Bay development which is planned for completion in the 2027/28 FY. It is our intention to align the two developments so that they are completed in the same window period. The ME has established a sound working relationship with the Granger Bay development team and will continue to build this relationship into the future.

- **Maintaining the asset**

  The department fulfils the mandate within the Service Level Agreement signed between the ME and the City of Cape Town by completing a programme of preventative, corrective, reactive and emergency maintenance. This rigorous programme is updated on a yearly basis and aligns to various warranty and cleaning requirements for the stadium superstructure and facilities. The capital budget has also been updated for the next 5 years in order to consider the future replacement and refurbishment requirements of the stadium.

  This maintenance plan is presented to the Board of Directors on a quarterly basis who will be able to track actual maintenance conducted against the planned maintenance.

- **Implement the capital plan in accordance with the budget**

  The capital programme of the stadium is extensive and requires planning 2-3 years in advance. This timeline ensures that the capital requirements are anticipated by the City and the necessary tenders are in place to deliver on the intended works. The department will, together with the City, implement a Building Information Model (BIM) which will inform the large-scale maintenance and capital projects for future years in order to streamline the process and anticipate future capital needs accurately.

The department will also continue to implement the current capital works programme which focuses largely on upgrading the technology of the stadium.

- **Manage utility costs**

CTS is currently in the process of implementing a 3-phase plan to optimise power usage. Phase 1 was successfully completed in the 2024/25 FY and Phase 2 will commence in the 2025/26 FY with the replacement of halogen floodlights with LED technology. This upgrade will both reduce operational costs and provide event organisers with modern lighting capabilities to enhance fan experiences.

CTS will continue to monitor water readings monthly to ensure that our water is billed on actual consumption. We will also continue to monitor the peak electrical tariff windows to ensure that we remain on lower tariff rates for as long as possible. This is achieved by using generators at critical times.

- **Information technology – self-reliance as a business**

The ME currently relies on the City for certain services. These include the provision of staffing, human resource, legal services, and supply chain management. The ME aims to achieve operational independence within the next three years.

To initiate this transition, capital funding was secured to develop the necessary back-end IT infrastructure. With this funding secured in the 2024/25 FY, the focus for the upcoming financial year is addressing IT requirements across all operational areas – finance, supply chain, contract management, email, and data storage. Ernst and Young has been engaged to evaluate optimal solutions for the business, taking existing infrastructure into consideration. Their assessment will inform requirements and guide the development of a detailed implementation plan in the 2025/26 FY. The goal is to complete the transition to independent systems, with comprehensive policies and procedures in place by 2026/27 FY or earlier if feasible.

- **Health and safety**

  CTS will continue to achieve 100% compliance for all health and safety management programmes at DHL Stadium. The ME reports on health and safety protocols and findings to the Board of Directors on a quarterly basis.

- **Environment sustainability**

  CTS will continue its commitment to deliver on its mandated event environmental sustainability objectives. This will be achieved through collaborating with event organisers to reduce the carbon footprint, reduce waste to landfills and implement recycling and waste segregation initiatives. While this initiative remains consistent with the prior year strategy, the ME will move towards measuring and reporting on progress in the new financial year.

- **Business Continuity**

  The department will continue to assess the requirements for business continuity, conducting necessary testing on a two-year cycle or as required. The most recent test was carried out in the 2023/24 FY, with the next test scheduled before the end during the 2025/26 financial year. These tests are part of the broader risk management process, ensuring comprehensive evaluation of all critical systems, including electrical infrastructure and IT security. Electrical and IT penetration tests will be included in the cycle to assess vulnerabilities and strengthen resilience. The business continuity plan will be updated as required, based on the outcomes of these assessments.

6.3 Internal Company Services Department

The Internal Company Services Department is responsible for the management of all internal services including human resource, legal and general administration. The department is also responsible for liaison with the City on various related processes:

Human Resource

- Create an environment that optimises human capital performance through ongoing skills development, staff wellbeing, training and staff engagement;
- Ensure reporting compliance and the daily management of all human resource related functions; and

- Update and maintain the organogram structure as required by the business and in a compliant manner. Manage the recruitment and induction process of new employees.

Legal

- Interface between City legal department and the ME;
- Facilitation of external legal counsel; and
- Contract administration and record keeping.

Administration

- Liaison and management of the outsourced company secretariat;
- Manage compliance processes such as SDBIP, declarations of interest and company reporting to ensure that recordkeeping is accurate, and deadlines met;
- Timeous revision of all ME policies;
- Provide management with business intelligence and reports to aid decision making; and
- POPIA compliance.

It is anticipated that the current department manager will retire in the foreseeable future and succession planning will commence in response to this staff change.

Strategic Objectives 2025/26 – 2029/30

The department has set the following strategic objectives:

Human Resources

- Promote an environment that will optimise the potential of its human capital through skills development and training;
- Manage all staff related processes including the IPM process and other "day to day" staff matters in relation to the staff policy;
- Identify and provide staff interventions as required with the objective of maintaining a highly motivated staff contingent; and
- Facilitate the recruitment process to ensure optimum functionality in the board approved organisational structure (Annexure A).

Administration

- Provide the necessary administrative support to the organisation to ensure that the reporting framework is implemented timeously;

- Ensure that reporting provides meaningful information that can be used by the organisation in its decision-making processes;
- Respond to the needs of the organisation, proactively identifying areas of reporting; and
- Ensure that all relevant records (legal, HR, administration) and documents are filed according to the applicable archiving policy requirements.

Legal

- Secure and facilitate the utilisation of all external legal resources either through CTS service provider or the City;
- Record keeping of all legal work instructed and ensuring the tracking of deliverables;
- Maintaining contract register and filing of all contracts signed for venue rentals and associated contracts; and
- Containing costs and ensuring legal resources are utilised efficiently through accurate briefing and record keeping.

Company Secretary

- Secure, facilitate and manage the services of the company secretary functions to ensure that the Board of Directors are satisfied with the quality and accuracy of work;
- Ensure timeous engagement with the company secretary to plan and execute the company secretarial functions;
- Identify areas for improvement and take corrective actions where required; and
- Provide quarterly feedback to the Board of Directors on the service provision of the company secretary.

Corporate Social responsibility (CSI)

- Develop a policy to govern CSI initiatives;
- Educate the organisation on the policy and implement; and
- Manage the implementation of the policy.

Department Plans 2025/26 FY

- **Human Resource management**

  The majority of staff remain employees of the City of Cape Town. A further secondment agreement was signed in February 2024 for a 3-year period. It is the intention that the ME develops capabilities to appoint their own staff through due process with the City by the end of the current secondment term.

To achieve this objective, CTS will focus on developing its own policy and process with regards to employees in the 2025/26 FY.

CTS has broadened its view on training in the last year, now including training that is not only provided by the City but is industry related to ensure training is specific to the needs of the business. The training output will be monitored as an SDBIP measurable, however a broader report on training will be presented to the Board on a quarterly basis.

The department will continue to measure key performance indicators such as leave days, overtime, absenteeism, training and declaration of interests signed, reporting to the Board each quarter.

The department will begin the process of succession planning, with the anticipated retirement of Werner Kuhn (Internal Company Service Manager) who has been with the ME and the City for a collective 35 years.

- **Administration**

The department will manage the process of all report submissions to ensure compliance and timeous delivery to meet statutory compliance. The department will also ensure that the ME's recordkeeping is accurate and in accordance with legislative record keeping principles.

The department will continue to manage and provide ongoing administrative support to the organisation through:

- Management of all administrative processes as required by the City of Cape Town and/or the Board of Directors including the SDBIP, risk register process, combined assurance process and, PIMMS;
- Ensure timeous reviewing and updating of CTS policies by management to submit to the Board of Directors for approval as and when required;
- Manage and implement POPIA;
- Ensure contractual rental and client agreements are reviewed on a regular basis to remain legally compliant and align to CTS business process and maintaining record thereof; and

- Coordinating and consolidating requests and information requirements between the City and the ME for services that fall within the Service Delivery Agreement between the City and the ME including all staff related matters and legal requests.

It is anticipated that certain processes will change to align to the ME becoming more independent over the next period. These changes will be considered by the department and policy, and process will be updated accordingly and as required.

- **Company secretary**

  Kilgetty Statutory Services (South Africa) (Pty) Ltd was appointed to perform the company secretary function on the 1 August 2023. The department is responsible for the daily management of the company secretary and ensuring that their scope of work is accurate and timeously provided.

- **Legal**

  All legal service contracting is managed by the department, who in turn is responsible for ensuring due process is followed for all legal briefs and appointments.

  In November 2024, CTS successfully appointed their independent legal counsel. CTS will rely on the City for municipal entity and supply chain management issues in the new financial year, while utilising its own legal counsel for all commercial matters.

  The department keeps records of all commercial contracts and reports to the Board on all legal matters.

6.4 Finance Department

The Finance Department oversees all financial transactions with the aim of achieving a “clean audit”. The department also manages the supply chain management function:

Financial Management

- Achieve a clean audit status through comprehensive asset verification and implementation of robust control policies;

- Maintain full compliance with MFMA and National Treasury financial reporting requirements;
- Support strategic decision-making across departments through integrated financial analysis and day-to-day guidance; and
- Deliver timely and accurate financial reconciliations and reports to meet business requirements.

Supply Chain Management

- Oversee the tender process for all new tenders;
- Host BEC, BSC and BAC meetings as and when required, in line with policy; and
- Ensure the awarding of tenders to meet the needs of the business.

Contract Management

- Ensure the ME is compliant in its contract management process;
- Ensure all documents in relation to finance, supply chain and contract management are stored as required by the MFMA; and
- Ensure monthly monitoring of contract deliverables.

Strategic Objectives 2025/26 – 2029/30

The department has set the following strategic objectives:

Finance

- Achieve 100% asset verification;
- Obtain a "clean audit" and implementing all systems and controls that enable this;
- Provide day to day financial insight to all departments;
- Provide analysis of the financial information to inform the business strategy;
- Develop policy and processes that support the needs of the business;
- Ensure compliant financial reporting in terms of National Treasury financial reports and the MFMA; and
- Support new areas of business including commercial objectives by providing financial reconciliations and reporting.

Supply Chain Management (SCM)

- Oversee the tender process for all new tenders initiated;
- Host Bid Adjudication Committee meetings and document proceedings; and

- Ensure the awarding of tenders in line with the supply chain management process; and
- Proactively assess the future needs of the business to manage the supply chain process to meet these needs.

Contract Management

- Ensure the ME is compliant in the SCM contract management process;
- Ensure documentation is stored electronically and in hard copy for each contract as required by the MFMA; and
- Ensure monthly monitoring of contract deliverables is actioned by the organisation and corrective action is taken if required.

Department Plans 2025/26 FY

- **Financial Reporting**

  The ME currently operates on a dual system, using SAGE for commercial revenues and SAP for remaining revenues and expenses. As part of the ME's transition to becoming a stand-alone entity with independent systems and processes, capital investment in IT infrastructure will be completed in 2024/25 FY. Ernst and Young has been commissioned to develop an IT plan aligned with business requirements, expected to be finalized by the end of 2024/25 FY. Implementation of this plan will be phased according to budgetary constraints.

- **Clean Audit**

  The ME has maintained an unbroken record of clean audits since its establishment in 2018, including the 2023/24 FY. While pursuing our objective of financial sustainability, we remain committed to maintaining sound governance, policies, and processes. This commitment extends to the 2025/26 FY, where we aim to continue our track record of clean audits.

  The department will manage both external and internal audit processes. For external audits, we will facilitate engagement with the Auditor-General. We will also leverage the internal audit process proactively to identify potential risks and seek guidance on improving existing processes, working closely with internal auditors.

- **Budgets and forecasts**

  The department will prepare a balanced budget annually based on the organisation's strategy and ensuring that the budget is approved by the Board and the City in line with compliance deadlines. The department will maintain constant monitoring of the budget and reporting on actuals against budgets and highlight any concerns. Continuous forecast reporting will be maintained to manage the budget to ensure revenue targets are met and there is no over spend on expenditure.

- **Financial policies and standard operating procedures**

  Maintain constant review of financial policies and update policies where necessary and in line with business needs. As there are many new processes being put in place, standard operating procedures are being developed for these new processes or the existing standard operating procedures are updated when necessary.

- **Supply chain management**

  Ensure that all supply chain management processes meet all the necessary MFMA compliance requirements. Work in conjunction with the operational departments to develop the business demand plan and ensure that the plan is executed according to the timeframes of the demand plan.

- **Contract management**

  Review and administer the entity's contract management system to ensure that compliance requirements are met. Regular reporting to the Board on supplier performance. Supporting operational teams with the contract management system and assisting operational teams with processes when supplier performance is not met.

7. CTS BUDGET AND FINANCIAL PROJECTIONS

The ME's medium to long-term objective is to be financially sustainable through the on ongoing securing of events, maximising commercial revenue streams and by developing new revenue streams through property development. The ME experienced a challenging 2023/24 financial year and data has proven that revenue from event income will not be sufficient to financially sustain the maintenance and running costs of the stadium.

Another significant area of focus in order to become financially sustainable is that of managing and reducing electricity costs. The ME has already commenced with a capital project which will result in significant savings on electricity in the future years.

Management has also broadened its focus to diversify the revenue streams of the ME with a particular focus on property development and management in the upcoming years. Both the stadium precinct and the broader surrounding areas offer opportunities for property development and for the skills of the ME to be utilized more broadly in the surrounding areas. These plans will be developed in the next year, with the intention of providing additional revenue in the outer years.

The budgets have been prepared to offer a realistic projection of revenue, while maintaining a prudent approach to cost containment.

The following principles will underpin the budgeting and business planning process:

- The previously identified internal stadium commercial revenue opportunities;
- The upcoming events calendar taking into account secured and unsecured events;
- Historical expenditure and revenue trends;
- A focus on cost-saving initiatives within the internal operating environment;
- The impact of inflation; and
- City budget guidelines.

Budgeted expenditure of R 120 million against budgeted own revenues of R75 million and grant funding of R44.5 million has been forecast for the 2025/26 financial year.

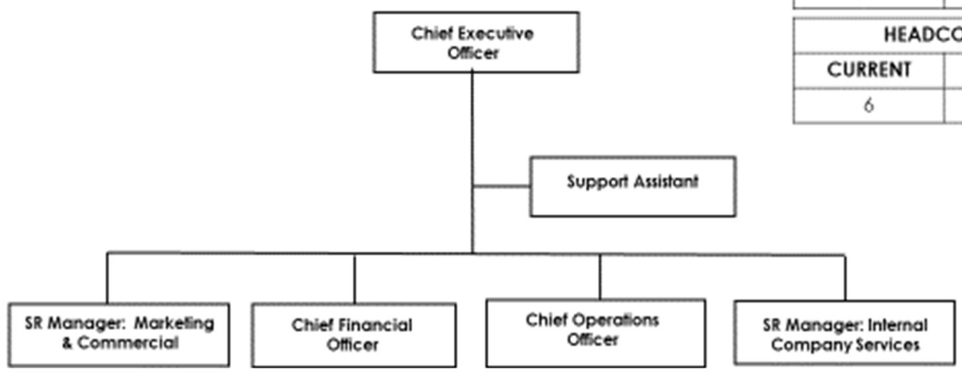
A copy of the 2025/26 budget has been attached hereto marked ANNEXURE" C"

Annexure A: Organisational Structure

SENIOR MANAGEMENT

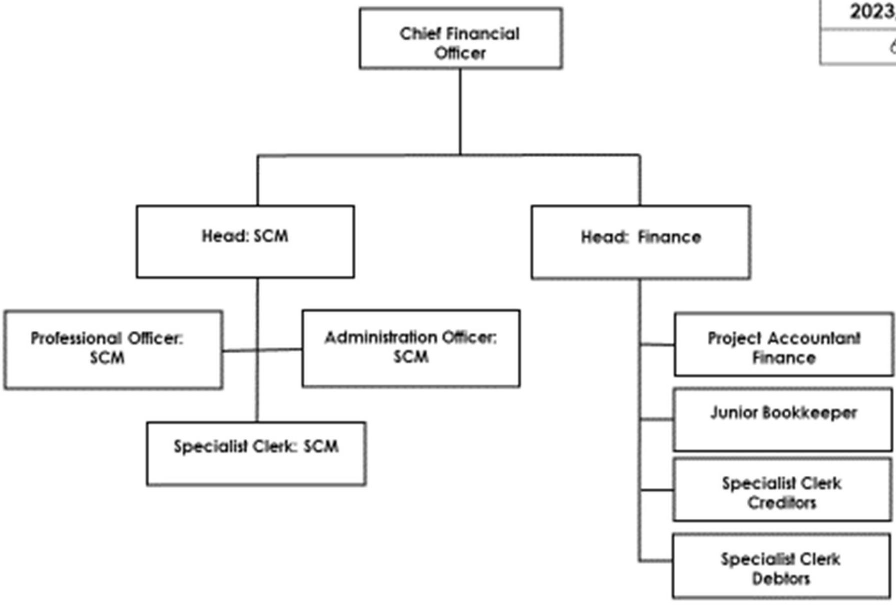
TOTAL HEADCOUNT	
2023/4 FY	2025/6 FY
31	34

HEADCOUNT	
CURRENT	FUTURE
6	6



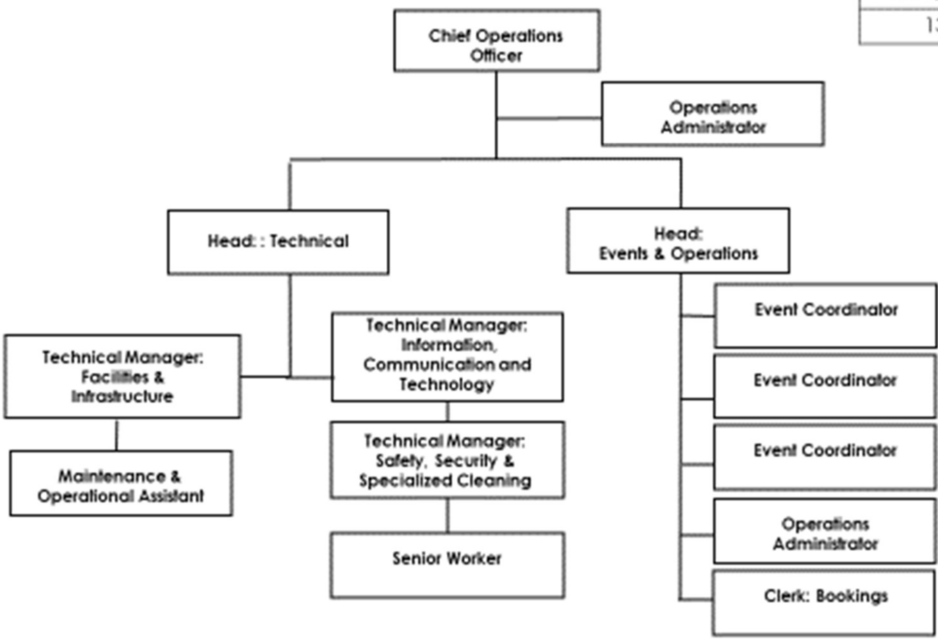
FINANCE DEPARTMENT

HEADCOUNT	
2023/4 FY	2025/6 FY
6	9



OPERATIONS & TECHNICAL DEPARTMENT

HEADCOUNT	
2023/4 FY	2025/6 FY
13	13

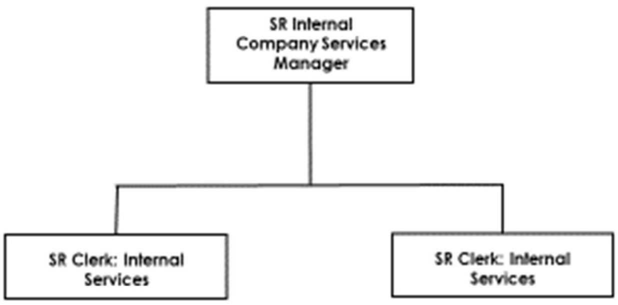


MARKETING & COMMERCIAL DEPARTMENT

HEADCOUNT	
2023/4 FY	2025/6 FY
4	4

INTERNAL COMPANY SERVICES DEPARTMENT

HEADCOUNT	
2023/4 FY	2025/6 FY
2	2



Annexure B: Service Delivery Budget Implementation Plan

No	ALIGNMENT TO IDP				MEASURING DEPARTMENT	INDICATOR	BASELINE (2023/ 2024)	FORECAST 2024/25	ANNUAL TARGET 2025/26	ANNUAL TARGET 2026/27	ANNUAL TARGET 2027/28	ANNUAL TARGET 2028/29	ANNUAL TARGET 2029/30
	FOUNDATION (STRATEGIC FOCUS)	PRIORITY (OBJECTIVE)	IDP PROGRAMME										
1.	A capable and collaborative City Government	16. A capable and collaborative City Government	16.1. Operational Sustainability Programme	Sustainable Entities	CTS Finance	Achievement of own projected income (%)	70%	90%	90%	90%	90%	90%	90%
2.	A capable and collaborative City Government	16. A capable and collaborative City Government	16.1 Operational Sustainability Programme	Sustainable Entities	CTS Finance	Opinion of the Auditor General	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit
3.	Public Space, Environment and Amenities	11. Quality and safe parks and recreation facilities supported by community partnerships	11.1. Quality Social Facilities Programme	Major event hosting facilities and maintenance initiatives	CTS Operations	Compliance with approved repairs and maintenance programme (%)	100%	100%	100%	100%	100%	100%	100%

4.	Public Space, Environment and Amenities	11. Quality and safe parks and recreation facilities supported by community partnerships	11.1. Quality Social Facilities Programme	Major event hosting facilities and maintenance initiatives	CTS Operations	Compliance with Occupational Health & Safety Acts and Regulations (Act 85 of 1993) (%)	100%	100%	100%	100%	100%	100%	100%
5.	Inclusive Economic Growth	1. Increase jobs and investment within the Cape Town economy	1.3. Inclusive economic development and growth	Major event hosting facilities and maintenance initiatives	CTS Operations	Spectator attendance at DHL Stadium (number)	~~750 000~~	~~850 000~~	~~900 000~~	~~1 050 000~~	~~950 000~~	1 050 000	1 050 000
6.	Public Space, Environment and Amenities	1. Increase jobs and investment within the Cape Town economy	1.3. Inclusive economic development and growth	Major event hosting facilities and maintenance initiatives	CTS Operations	Events hosted at DHL Stadium (Number)	122	135	135	135	135	135	135
7.	A capable and collaborative City Government	16. A capable and collaborative City Government	16.2. Modernised and adaptive government	Investment and partnership development programme	CCT Corporate Services	Budget spend on implementation of WSP budget spend (%)	90%	90%	90%	90%	90%	90%	90%
8.	A capable and collaborative City Government	16. A capable and collaborative City Government	16.2. Modernised and adaptive government	Modernised and adaptive government programme	CCT Corporate Services	Employees from the EE designated groups in the 3 highest levels of management (%)	80%	80%	80%	80%	80%	80%	80%

Annexure B1: Score Card Definitions

CAPE TOWN STADIUM SCORECARD (SDBIP)DEFINITIONS			
NO	**SDBIP INDICATOR**	**IDP OBJECTIVE**	**INDICATOR DEFINITION**
CTS 01	Percentage achievement of own projected revenue	16.1	This indicator will measure the achievement of the annual projected revenue as per the latest approved budget.
CTS 02	Opinion of the Auditor General	16.1	The indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General in determining his opinion. An unqualified audit opinion is where the auditor, having completed the audit, has no reservation as to the fairness of presentation of financial statements and their conformity with general recognised accounting practice. This is referred to as a 'clean audit'. Alternatively, the auditor would issue a qualified audit opinion either in whole or in part over the financial statements if these have not been prepared in accordance with general recognised accounting practice, or the auditor could not audit one or more areas of the financial statements. Future audit opinions will cover the audit of predetermined objectives.
CTS 03	Percentage compliance with approved Repairs and Maintenance program	11	The indicator measures the approved repairs and maintenance programme as per the service delivery agreement between Cape Town Stadium (RF) SOC and the City of Cape Town. Repairs and Maintenance refers to all facilities and equipment at Cape Town Stadium and is further defined as preventive maintenance, corrective maintenance, reactive maintenance, emergency maintenance as well as repairs of damages after events. All repairs and maintenance is done from the operating budget. The indicator measures whether the output was achieved as per the plan.

CTS 04	Percentage Compliance with Occupational Health and Safety Acts and Regulations (Act 85 pf 1993	11	This indicator measures compliance against the Occupational Health and Safety Regulations on event and non-event days as well as contractors at Cape Town Stadium.
CTS 05	Number of spectator attendance at the Cape Town Stadium	1.3	The indicator measures the total number of spectators attending events hosted at the DHL Stadium excluding "non-income" generating events.
CTS 06	Number of events hosted	1.3	Events at the Cape Town Stadium can be defined as total number of optimal planned, organised and safety executive multi-social events, exhibitions, conferences and/or occasions classified into Bowl Events (use of pitch and seating tiers),Non-Bowl Events and Shoots The indicator measures the total number of events planned, organised and safely hosted at the DHL Stadium.
CTS 07	Percentage budget spent on implementation of WSP (NKPI)	16	The WSP outlines the planned education, training and development interventions for the organisation. Its purpose is to formally plan and allocate budget for appropriate training interventions that will address the needs arising out of local government's skills sector plan, the IDP, the individual departmental staffing strategies, individual employees' personal development plans and the employment equity plan. Proxy measure for NKPI.
CTS 08	Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved Employment equity plan (EE) (NKPI)	16	The indicator measures the percentage of people from employment equity target groups employed in the three highest levels of management, in compliance with the DHL Stadium approved EE plan. Each directorate contributes to the corporate achievement of targets and goals by implementing its own objectives of quantitative and qualitative goal setting. Level 1 – Director/CEO, Level 2 – Managers and Level 3 – Heads. Proxy measure for NKPI.

Annexure C1: Financial performance budget (5-year 2024/25 – 2029/30)

Category	Actual 2023/24	Original/ Adjusted Budget 2024/25	Original Budget 2025/26	Budget ComparHson 2027 vs 2026		Draft Budget 2026/27	Budget ComparHson 2028 vs 2027		Draft Budget 2027/28	Budget ComparHson 2029 vs 2028		Draft Budget 2028/29	Budget ComparHson 2030 vs 2029		Draft Budget 2029/30
		R	R	R	%	R	R	%	R	R	%	R	R	%	R
Revenue by Source															
Rental of facilities and equipment	21 487 853	31 268 873	28 413 626	1 929 046	7%	30 342 672	3 293 153	11%	33 635 826	3 516 111	10%	37 151 937	3 674 338	10%	40 826 275
Transfers and subsidies (Grants)	33 196 048	44 500 000	44 500 000	-	0%	44 500 000	-	0%	44 500 000	-	0%	44 500 000	-	0%	44 500 000
Other Revenue	22 549 716	29 945 552	36 486 347	2 993 953	8%	39 480 301	1 851 381	5%	41 331 682	1 859 926	4%	43 191 607	1 943 622	5%	45 135 230
Services in kind	9 344 338	7 764 816	10 764 816	484 417	4%	11 249 233	506 215	5%	11 755 449	528 995	4%	12 284 444	552 800	5%	12 837 244
Total Revenue	**86 577 955**	**113 479 241**	**120 164 790**	**5 407 416**	**5%**	**125 572 206**	**5 650 750**	**5%**	**131 222 956**	**5 905 032**	**4%**	**137 127 988**	**6 170 760**	**5%**	**143 298 749**
ExpendHture by Type															
Cleaning Costs	5 978 322	8 891 151	9 424 620	424 108	4%	9 848 728	443 193	5%	10 291 921	726 461	7%	11 018 382	767 054	7%	11 785 437
Security Services	6 650 693	6 526 359	7 659 941	344 697	4%	8 004 638	360 209	4%	8 364 847	376 418	4%	8 741 265	393 357	4%	9 134 622
Repairs and Maintenance	26 123 905	28 194 505	29 886 175	1 344 878	4%	31 231 053	1 405 397	4%	32 636 450	1 468 640	5%	34 105 091	1 534 729	5%	35 639 820
Fuel	2 773 071	7 420 000	2 928 510	131 783	4%	3 060 293	137 713	4%	3 198 006	143 910	5%	3 341 916	150 386	5%	3 492 303
Utilities	12 021 364	13 765 737	16 075 681	723 406	5%	16 799 087	755 959	5%	17 555 046	526 651	3%	18 081 697	542 451	3%	18 624 148
Employee Cost	24 035 532	31 694 228	33 595 882	1 511 815	5%	35 107 696	1 579 846	5%	36 687 543	1 650 939	5%	38 338 482	1 725 232	5%	40 063 714
Board Members Remuneration	570 171	731 400	775 283	34 888	5%	810 172	36 458	4%	846 629	38 098	4%	884 728	39 813	4%	924 541
General Expenses	5 126 256	8 491 045	9 053 882	407 425	4%	9 461 306	425 759	5%	9 887 065	444 918	4%	10 331 983	464 939	4%	10 796 922
Services in Kind - Utilised	9 154 738	7 764 816	10 764 816	484 417	4%	11 249 233	506 215	5%	11 755 449	528 995	4%	12 284 444	552 800	5%	12 837 244
Total Expenditure	**92 434 053**	**113 479 241**	**120 164 790**	**5 407 416**	**5%**	**125 572 206**	**5 650 749**	**5%**	**131 222 956**	**5 905 032**	**4%**	**137 127 988**	**6 170 761**	**5%**	**143 298 749**
Surplus/(deficit) before taxation	**(5 856 098)**	**-**	**0**			**(0)**			**0**			**0**			**(0)**
Taxation															
Surplus/(deficit) after taxation before return on capex	**(5 856 098)**	**-**	**0**			**(0)**			**0**			**0**			**(0)**
Opening Accumulated Deficit	**(1 057 326)**		**(6 913 424)**			**(6 913 424)**			**(6 913 424)**			**(6 913 424)**			**(6 913 424)**
Income/Savings in relation to proposed Capital Expenditure															
Lease Income (Retail Property Developm	-	-	-	-	-	1 400 000	-	-	4 784 000	-	-	4 999 280	-	-	5 224 248
Parking (new development)	-	-	-	-	-	4 200 000	-	-	4 389 000	-	-	4 586 505	-	-	4 792 898
	-	-	-	-	-	**5 600 000**	-	-	**5 600 000**	-	-	**9 585 785**	-	-	**10 017 145**
Expenditure															
Electricity Savings (Solar project)	-	-	-	-	-	(5 000 000)	-	-	(5 225 000)	-	-	(5 460 125)	-	-	(5 705 831)
Management Fee -Precinct Area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**10 600 000**	**-**	**-**	**10 825 000**	**-**	**-**	**15 045 910**	**-**	**-**	**15 722 976**
Surplus/(deficit)	**(6 913 424)**	**-**	**0**	**-**	**-**	**10 600 000**	**-**	**-**	**10 825 000**	**-**	**-**	**15 045 910**	**-**	**-**	**15 722 976**

NOTES:FINANCIAL PROJECTIONS

"The 2025/26 budget was prepared the current market data, CPI of 6% and using historical data. In certain areas zero based budgeting was utilised. The outer year's projections have been increased by CPI of 4.5%.

REVENUE PROJECTIONS **1. Rental of facilities and equipment** Rental of fixed assets in the 2025/26 FY have been budgeted at R28.4million which relates to income to be realised from events which includes Income received from WPR as an anchor tenant.	**2 Transfers and subsidies (Grant)** The grant was budgeted at R44.5million to cover the shortfall in expenditure and continues at the same amount in the outer year projections without taking into account an inflationary increase.
3. Other Revenue Other revenue comprises of income from commercial generated through naming rights and rebates from events etc.	**4. Services in kind** The services in kind budget of R10million includes the use of the movable assets and the rental of the stadium.
EXPENDITURE **5. Employee Related Costs** The employee related cost budget of all seconded staff as well as all entity appointed staff. The 2025/26 budget and outer years also includes the appointment of new positions as per the new approved organogram which is part of the plan for the entity to move towards its independence.	**6. Remuneration of Board Members** The budget was prepared on the basis that the composition of the board of directors will remain at 7 board members.
7. Fuel costs Fuel costs is in relation to fuel used for the generator which is a significant cost due to when there is load shedding. The lighting and energy saving capital projects will result in reduction in this cost in the outer years	**8. Cleaning & Security** Cleaning & security is in relation to costs for maintaining the asset. The budget has increased by inflationary costs of 6%
9. General Expenditure Other general expenditure have increased by inflation of 6%	

Annexure C2: Statement of Financial position (5-year 2024/25 – 2029/30)

Category	Actual 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
	R	R	R	R	R	R	R
ASSETS							
	26 188 715	**27 087 907**	**29 010 137**	**29 131 804**	**29 877 740**	**30 612 154**	**30 765 862**
Current Assets							
Cash	5 414 085	7 920 358	8 078 765	8 240 341	8 405 147	8 573 250	8 744 715
Receivables from exchange transactions	9 895 158	16 520 549	10 093 061	10 294 922	10 500 821	10 710 837	10 925 054
Receivables from non- exchange transactions	7 844 618	-	8 001 510	8 161 541	8 324 771	8 491 267	8 661 092
Services in kind benefit	2 836 800	2 647 000	2 836 800	2 435 000	2 647 000	2 836 800	2 435 000
Value added tax	198 054						
Non-current Assets	**-**		**-**	**-**	**-**	**-**	**-**
Other non-current assets	-		-	-	-	-	-
Total Assets	**26 188 715**	**27 087 907**	**29 010 137**	**29 131 804**	**29 877 740**	**30 612 154**	**30 765 862**
NET ASSETS AND LIABILITIES							
	(6 913 424)	**2 434 800**	**(6 913 424)**	**(6 913 424)**	**(6 913 424)**	**(6 913 424)**	**(6 913 424)**
Net Assets							
Accumulated surplus/(deficit)	(6 913 424)	2 434 800	(6 913 424)	(6 913 424)	(6 913 424)	(6 913 424)	(6 913 424)
Current liabilities	**33 102 139**	**24 653 108**	**35 923 561**	**36 045 228**	**36 791 163**	**37 525 578**	**37 679 285**
Trade and other payables	33 102 139	24 653 108	35 923 561	36 045 228	36 791 163	37 525 578	37 679 285
Total net assets and liabilities	**26 188 715**	**27 087 908**	**29 010 137**	**29 131 804**	**29 877 740**	**30 612 154**	**30 765 862**

Annexure C3: Cash Flow Statement (5-year 2024/25 – 2029/30)

Category	Actual 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
Cash Flow from Operating Activities							
Receipts							
Other Revenue	39 859 698	60 890 492	71 003 530	69 621 112	74 761 609	80 133 528	86 175 722
Grant Funding	33 196 048	44 500 000	44 500 000	44 500 000	44 500 000	44 500 000	44 500 000
Payments							
Suppliers and Employees	(75 055 670)	(105 235 191)	(112 994 150)	(113 959 537)	(119 096 802)	(124 465 425)	(130 504 257)
Net Cash From/(Used) Operating Activities	**- 1 999 924**	**155 301**	**2 509 379**	**161 575**	**164 807**	**168 103**	**171 465**
Cash Flow from Investing Activities	**-**	-	-	-	-	-	-
Cash Flow from Financing Activities	**-**	-	-	-	-	-	-
Net Increase/(Decrease) in Cash Held	**(1 999 924)**	**155 301**	**2 509 379**	**161 575**	**164 807**	**168 103**	**171 465**
Cash and Cash Equivalents at beginning of year	7 414 009	5 414 085	5 569 386	8 078 765	8 240 341	8 405 147	8 573 250
Cash and Cash Equivalents at end of year	**5 414 085**	**5 569 386**	**8 078 765**	**8 240 341**	**8 405 147**	**8 573 250**	**8 744 715**

Annexure D: Legal Framework

1. Legislative Framework: (Legal Services)

For the purpose of this document "***laws***" will mean all constitutions; statutes; regulations; by-laws; codes; ordinances; decrees; rules; judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, rulings, or awards; policies; voluntary restraints; guidelines; directives; compliance notices; abatement notices; agreements with, requirements of, or instructions by any governmental body; and the common law, and "***law***" shall have a similar meaning, including, but not limited to:

1. The Municipal Finance Management Act, 2003 (Act No. 56 of 2003) & Regulations thereto ("MFMA");
2. The Municipal Systems Act, 2000 (Act No.32 of 2000) & Regulations thereto;
3. The Companies' Act 71 of 2008 (as amended);
4. The Safety at Sports & Recreational Events Act, 2010 (Act No. 2 of 2010);
5. The Safety at Sports & Recreational Events Regulations of 2017;
6. Disaster Management Act, 2002 (Act no. 57 of 2002);
7. The South African Police Services Act, 1995 (Act 68 of 1995);
8. Criminal Procedure Act, 1977 (Act No. 51 of 1997);
9. Liquor Act, 1989 (Act no. 27 0f 1989);
10. POPI and Cyber Crime Act;
11. Firearms Control Act, 2000 (Act no. 60 of 2000);
12. Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and the regulations thereto (including the OHSA Constructions Regulations of 2014);
13. Municipal Asset Transfer Regulations No. 31346 of 2008;
14. Respective electrical, mechanical, civil, structural etc. South Africa Bureau of Standards (SABS of SANS) code of Practise.

2. City of Cape Town Policies and By Laws

1. Events By-Law, 2010 & amendment thereto (2015) read with City Events Policy (2013);
2. Building Development Management ("BDM") temporary structure application & approval Requirements, 2015;
3. Community Fire Safety By-Law 2002 as amended;
4. Environmental Health By-Law, 2003 as amended;
5. By-Law relating to Streets, Public Places and the Prevention of Noise Nuisances, 2007 as amended;
6. Outdoor Advertising & Signage By-Law, 2001 as amended (2013 & 2014);
7. Filming By-Law, 2005;
8. Public Parks By-Law, 2010 as amended;
9. Informal Trading By-Law, 2009 as amended (2013);
10. Integrated Waste Management By-Law, 2010;
11. Liquor Trading Days & Hours By-Law (PG 6788 – 10/09/2010 as amended);
12. Community safety; and traffic Control

3. Municipal Entity Legal Framework

1. Lease signed between the City of Cape Town and the Cape Town Stadium (RF) SOC Limited
2. Service Delivery Agreement signed between the City of Cape Town and Cape Town Stadium (RF) SOC Limited
3. Service Level Agreement signed between Cape Town Stadium (RF) SOC Limited and Cape Town International Convention Centre.