

Annual Report

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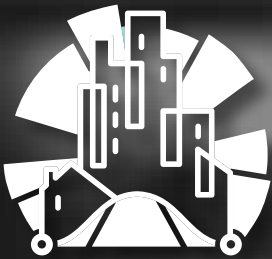


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THE GREATER
TYGERBERG
PARTNERSHIP

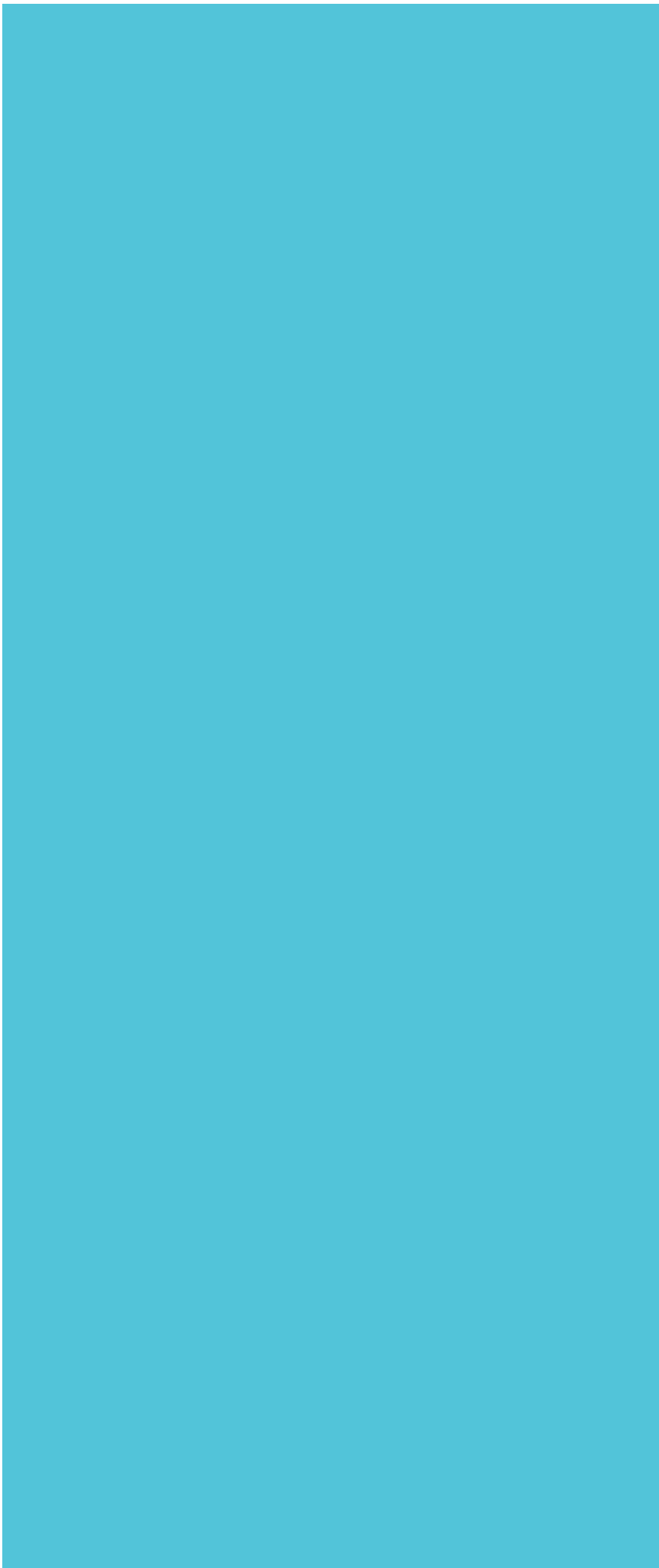


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ABOUT OUR WORK

OUR MISSION

To make our region one of the City of Cape Town's most inclusive, vibrant and economically prosperous areas in which to live, work, invest and play.

OUR VISION

To promote a partnership-based approach to local development through actively engaging local role players.

OUR APPROACH

1. Engage with relevant stakeholders
2. Facilitate projects and programmes
3. Implement decisions and plans
4. Evaluate our progress and development

Our primary role is to create partnerships that enable people to envisage and achieve what is really possible in Bellville. Through their support and collective commitment we are able to take that vision into reality. The Greater Tygerberg Partnership (GTP) is a platform that can facilitate connections, drive engagement and find consensus between those partners, who operate in the private and public sector, academia and the community.

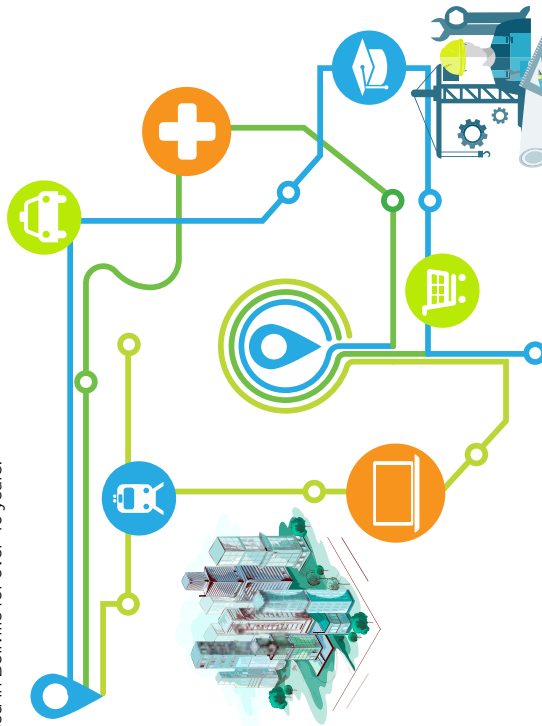
The GTP is the primary implementation agency for the City of Cape Town's strategic plans to regenerate and upgrade the Bellville city centre.



COME TO BELLVILLE AND SEE WHY

The modern city which has always been the butt of jokes such as “come to Bellville and CY” has always had to fight hard for its true value to be recognised. And yet, since it was established in 1860, Bellville has played a critical role in the economic and transport routing of the City of Cape Town. Regardless of the past perceptions of Bellville, the GTP is working to create a new reality for the city that plays such an important role in the broader Cape Town landscape. We’re building on what exists in the real Bellville — a place of potential, opportunity and creativity. And we invite you to come and see, not only why, but how.

Bellville is an established commercial engine for the Cape Town metropole. Bellville businesses range from light-industrial workshops and retailers to professional services firms, to multinational corporates. Over 4 000 small- and medium-sized enterprises support the local economy with products they create and services they deliver. The headquarters of Africa’s largest financial services corporate, Sanlam, has been located in Bellville for over 40 years.



Among other large corporates are The Foschini Group, MMI, PSG, Cipla, Capitec, Telkom and more. We are home to nine major educational institutions, including three of the leading universities in the country (UWC, GPUJ, UoFs) — as well as many other excellent schools and colleges — and have over 100,000 students in our community. In addition, Bellville is a major medical hub with more hospital beds than anywhere else in the country and over 250 medical practitioners operating in the area.

The foreign national community plays an integral role, not only in the local economy, but support and provide a wholesale service to all the informal traders in the entire Cape Town metropole. They have congregated in and around the Bellville transport interchange both as a result of past xenophobic attacks and the natural access created by Cape Town’s busiest transport interchange (350,000 daily trips). Without these African partners this economy would have suffered even harsher consequences over the last 20 years.

We are excited about building the Bellville community; about creating a vibrant, sustainable 24-hour economy; and about facilitating the urban transition to achieve that. We’re doing this while also acknowledging that Bellville grapples with the same issues that affect any other urban area: criminal activity is a challenge, some areas are less pristine than others and homeless people do live on our streets. But we, and our partners, including the City of Cape Town, the Voortrekker Road Corridor Improvement District and many others, are working hard to change that.

Bellville is a vibrant, busy urban city where people live and work and play every day. It is a culturally and socially diverse centre, full of people from all parts of our society and all corners of our continent. That diversity is rare in Cape Town, and we celebrate it.

Regardless of the past perceptions of Bellville, the GTP is working to create a new reality for the city that plays such an important role in the broader Cape Town landscape. We’re building on what exists in the real Bellville — a place of potential, opportunity and creativity. And we invite you to come and see, not only why, but how.

Get in touch with the team at the GTP to find out more about what we’re doing in Bellville, and our vision for its future.



And, please, get involved.

www.gtp.org.za



CHAIRMAN'S MESSAGE

JUSTIN COETZEE

In reviewing this year, anything that we want to consider is overshadowed by the COVID-19 pandemic. This truly historic event revealed the GTP's inherent resilience, both in terms of its responsiveness in times of crisis, but also of its place in the community. In its role as convenor, the GTP needs to continually manage competing interests, but the pandemic presented us all with one single purpose – to navigate and survive the unknown. It has been a highlight for me to see how the GTP team has been instrumental in bringing organisations and members together to help fight and solve difficult problems.

With physical contact severely curtailed during lockdown, the GTP quickly pivoted to operating with a greater emphasis on digitalisation. Many of the GTP's programmes are designed as physical interventions. However, virtualising its programmes has expanded the potential for making an even greater impact with greater creativity and greater expediency. Seeing how well that has worked this year has given us a pause to rethink what we do in a more virtualised world. The shift to a more digital modus operandi affected the GTP's board, too, who has been convening and working together in a way that we've never worked before. We were able to continue to function seamlessly, despite the spread of ages, backgrounds and approaches to digitalisation.

The GTP team has been instrumental in bringing organisations and members together to help fight and solve difficult problems.



Despite the benefits of a more virtual operating environment, urban renewal is a very tangible pursuit. Change happens on the streets and in public spaces. One example of how this tangibility can reach great heights is the announcement that the GTP was awarded a Pinnacle Award in the International Downtown Association's Downtown Achievement Awards series this year. The project in question, the Sha'p Left Community Healthcare Hub in the centre of Bellville was a significant highlight for me, the GTP board and the entire team. This is true partnership in action.

Credit must go to the executive and operational teams for producing results on the business plan, achieving most of its set objectives and delivering results for the City of Cape Town's urban renewal agenda. This was achieved even as the rules were changing almost every day, making it extremely difficult to plan and to predict anything with certainty.

We've just completed the second year of the three-year funding cycle from the City of Cape Town. To support the business model, we are also pursuing self-funding strategies to enable the GTP to generate diverse income streams to contribute to its growth and long-term

sustainability. By the end of my three-year term, I hope to leave this as a notable legacy. It is a goal that will secure not only the GTP's future but will also unlock opportunities to achieve the vision for Bellville that so many share.

I want to extend my thanks to the board, whose engagement, advice and contributions has been immensely valuable this year. It is helpful to have different perspectives around the table. Their availability this year is particularly notable, given that their roles are all voluntary. I also want to especially thank Warren Hewitt, the GTP's CEO. Without his leadership we wouldn't be the organisation we are.

This year has proven the convening power of the GTP in hard times. I value the role we play within the City of Cape Town's regeneration programme. We now have to enter a phase of

rebuilding the community and broader society. This will require greater resilience, in terms of our people and our systems and particularly our structure. Our clear agenda must be to strengthen the social fabric of our community, to make it much stronger and more resilient. Regardless of our individual profiles in terms of education, demographics, economic stature or family background, we have all experienced the same thing this year. We now have a real opportunity to come together, to create strong partnerships, to be active members of our communities and to work together towards achieving a shared agenda of prosperity, stability and social community.

■ BUSINESS

Bellville rich with potential, opportunity

'Second city' wants to attract investors, particularly in the housing market

MARVIN CHARLES
marvin@thebellville.com

BELLVILLE, in the northern suburbs, wants to package itself as the city within a city and attract investors, especially those interested in affordable housing.

Called Cape Town's second city, it is growing fast in sectors such as health, tertiary education and small businesses.

Chief executive of the Greater Tygerberg Partnership, Warren Hewitt, said: "Bellville has become the biggest development in the city. It sits perfectly on the busiest interchange."

A report by the Greater Tygerberg Partnership, titled "Discover Bellville", outlines how it has grown over the past 115 years from being formally known as the Twelfth Mile Village to being renamed Bellville in 1994.

It has grown so much into a potential city, with its main centre bustling with rich opportunities and potential. Bellville's public transport interchange does 400 000 trips daily.

According to the report, the minibus taxis are the preferred method of transport for consumers.

The informal traders' market has also been growing significantly, with more than 50% of informal traders operating in the Bellville CBD for six to 10 years, even longer. The informal economy has a significant effect on Bellville's economic profile.

Hewitt said: "With the growing trend of urbanisation and densification around city spaces, major metropolises, such as Cape Town, need a supporting environmental structure to be able to maintain efficient economic growth."

The area has also become well known for its health-care services.

Tygerberg Hospital by the medical anchor. Major institutions, from the US for example, have invested heavily in health facilities in Bellville. Last year the University of the Western Cape



BELLVILLE has become the biggest development in the city and sits perfectly on the busiest interchange.

(UWC) opened a R244 million state-of-the-art facility of community health sciences in the heart of the Bellville CBD. And in July, the South African Medical Research Council launched a state-of-the-art genomics centre on UWC's Bellville campus.

"Cape Town is particularly hampered by its physical constraints and should be aggressively pursuing a strategy of developing its secondary nodes, such as Bellville, Philippi and Paarden Eiland/Milnerfontein."

One way to seize this initiative is to start locating local governmental structures and departments in these areas to spark the development cycle and drive secondary node growth,"

Hewitt said. As a mature, accessible centre, Bellville, specifically the Voortrekker Road Corridor, is categorised by the co-existence of the old and new.

Well-established services and mid-rise office blocks with large floor plates have offered opportunities to create high-density employment.

Existing buildings in Bellville and aggressive investment incentives are ripe for the development of affordable accommodation.

"Affordable accommodation in Bellville will be a great opportunity."

"The area does not have many high-rise buildings to make it densely populated. Affordable accommodation could work because it would be closer

to services," Hewitt said.

The property market in the area has also been growing steadily.

In the sub-region around Bellville and Panrose, price growth slowed from 11.9% y/y in the final quarter of 2017 to 13.2% in the second quarter of last year. The property market in Bellville has been growing well.

Residential property especially has grown quickly, he said.

The City of Cape Town has glanced over Bellville slightly for a while.

It is seeking to regenerate four precincts across the Voortrekker Road Corridor, using City-owned land holdings and older buildings for the development of social housing.

CEO'S MESSAGE

WARREN HEWITT

The GTP was established as a public-private partnership with a mandate to uplift the regeneration of the northern suburbs of Cape Town. The power of partnerships in delivering our mandate cannot be overstated. In particular, the strength of partnerships comes clear when the public and private sector link arms to get things done.

In the last year, we've seen how much can be achieved when we access all points of our ecosystem, in the public and private sectors. Partnerships come into play at different levels. On one hand, our current primary funder, the City of Cape Town, provides strategic input aligned with their long-term plans to redevelop Bellville. On the other, our relationships with non-governmental organisations (NGO), schools, universities, small businesses or multi-national corporations, among others are based on a mutual understanding of the need to activate shared resources, skills or connections.

We are always looking for connections with those in our community who can help us achieve our own objectives, and to promote the objectives of those who support us. We're actively inviting individual, business or institutions embers of the Bellville community to get involved in re-invigorating our city.

The most prominent example of how partnerships can drive shared agendas is the implementation of the Sha'p Left Community Healthcare Hub at the Bellville public transport interchange. We've profiled this project in more detail in this report, celebrating the international recognition it received this year.



In addition to this project, working with various partners, we have empowered previously unemployed trolley pickers to become waste entrepreneurs. We have helped a school significantly reduce its waste footprint and we supported various NGOs in their efforts to amplify their efforts to care for people in the community – especially during the past months of the COVID pandemic.

Building a city is about more than infrastructure. It's also about community. The community of Bellville is made up of individuals from all walks of life and businesses of all sizes. This combination creates a potent opportunity to make deep local connections.

Most businesses took a beating during the early lockdowns, but none more so than small, local neighbourhood businesses. Bellville is a resilient centre and through the power of local connections I know we can rebuild that which COVID has broken. This was the rationale behind our Bellville Connect project. We are determined to

rebuild Bellville using the power of local commerce and the power of a connected community as levers to improve and enhance the area’s sustainability.

We have a long-term vision of Bellville as a connected, thriving, sustainable urban centre, and we want every person and business in the area to feel a sense of ownership of that same vision. Supporting local businesses, getting involved in local activities and exploring everything the local environment has to offer are important parts of that.

There are many ways to get involved and this can manifest in different ways. Financial contributions are one way, but we also welcome help in the form of expertise, services connections, partnership, collaborations, time and facilities. Doing so will bring us closer as a community and will deliver much-needed change to Bellville sooner. And your contribution will be tax-deductible too: we’ll issue you with a Section 18A certificate for your tax records.

I would like to thank the GTP board for its unwavering support of our programmes, and my team for their tireless dedication to delivering our projects – particularly in this extraordinary year. I want to extend particular thanks to the officials and representatives of the City of Cape Town for their input and insights throughout the year.

With thanks to our partners and supporters. This is not an exhaustive list, and with apologies to any who have been omitted in error:

African Bank | Cape Peninsula University of Technology | City of Cape Town | Cipla Foundation | Composition | DF Malan High School | Kwesu Organisation | Radio Tygerberg | Our Future Cities | MES | Sanlam | Tygerberg Hospital Children’s Trust | University of the Western Cape | University of Stellenbosch | Voortrekker Road Corridor Improvement District | Waste-Ed Western Cape Government and many others.

YOUR SUPPORT MAKES OUR WORK POSSIBLE.

We look forward to working with you all in the coming year, to help drive real, tangible change in Bellville – for the benefit of everyone who lives, works, invests and visits here.



JOIN THE GTP, INVEST IN BELLVILLE

WHO WE WORK WITH

We're actively inviting investors to come to Bellville, to see what the opportunities are and to maximise the potential that exists here. To see that investment land, we need to work with our partners to find a way to proactively reduce red tape and to build strong, streamlined processes that reduce friction and increase investment.

| | |
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| RESIDENTS, STUDENTS, COMMUTERS, VISITORS | CULTURALLY & SOCIO-ECONOMIC DIVERSE COMMUNITIES |
| TERTIARY EDUCATION INSTITUTIONS | CIVIL SOCIETY ORGANISATIONS |
| HEALTH AND WELLNESS INSTITUTIONS | CORPORATE ENTITIES |
| SMALL AND MEDIUM SIZED ENTERPRISES | LOCAL AND REGIONAL GOVERNMENT |
| INDUSTRIAL & MANUFACTURING CONCERNS | EXISTING SHOPPING CENTRES & OTHER RETAIL OPERATORS |
| WINELANDS LEISURE TOURISM | TRANSPORT HUBS |
| SPORTS AND CULTURAL FACILITIES | PROPERTY OWNERS AND DEVELOPERS |



GTP MEMBERSHIP

We encourage the greater business and civil community to join the GTP membership to collaborate, harness our potential and prosper.

- All businesses from national corporates to large, medium and small enterprises
- All industrial and manufacturing businesses
- All academic and knowledge-based institutes
- All community-based organisations and services
- All City of Cape Town agencies
- All local citizens

MEMBERSHIP SUBSCRIPTION

Membership subscription includes unique benefits that support business promotion, communication and employee benefit. By becoming a member of GTP, businesses join a powerful network supporting our region.

BENEFITS OF COLLABORATION AND CO-CREATION

The GTP's Memorandum of Incorporation clearly mandates that in order for the organisation to exist, a membership structure is needed as the organisation has no shareholders. Members provide the GTP with valuable insights regarding direction and content of projects. Having members that represent a wide variety of organisations from the greater Tygerberg area also ensures that the GTP stays in touch with the needs of the community it serves.

In future we will be looking at introducing a more extensive membership model that consists of different membership levels – each with its own privileges and roles within the GTP. This will give those interested a way to play a bigger part in the organisation, while providing the GTP with an additional source of income for growing members' benefits.

OUR MEMBERS UP TO THE END OF JUNE 2020

A complete list of our members is available at the registered offices. For more enquiries regarding membership, please contact our offices at 021 823 6713 or email info@gtp.org.za.

PROJECT SPOTLIGHT

GTP WINS INTERNATIONAL ACCOLADE FOR THE SHA'P LEFT COMMUNITY HEALTHCARE HUB

We were delighted to receive international recognition for innovation in urban placemaking this year.

The International Downtown Association awarded us the Downtown Achievement Pinnacle Award the Sha'p Left healthcare hub in Bellville, which provides quality, affordable, accessible healthcare to commuters and residents in the area. Located opposite the Bellville public transport interchange, the healthcare hub is sponsored by the Cipla Foundation and was enabled by the City of Cape Town. We want to thank both organisations for their input, facilitation and financial resources. This project is a manifestation of innovation in urban renewal and city-building.

The Downtown Achievement Award is bestowed annually upon projects which identify improvements to urban centers by dedicated organizations around the globe. The industry's highest recognition, the Pinnacle Award, represents the most creative and inspiring innovations in urban place management. Projects were awarded in the following categories: leadership development; organizational management; economic development; marketing, communications and events; planning, design and infrastructure; policy and advocacy; and public space management and operations. The GTP won in the category of Public Space Management and Operations.

This project is an example of how the public sector can partner with the private sector to

achieve shared goals. By delivering the Sha'p Left Nursing Hub in partnership with the City of Cape Town, we were able to put Cape Town, and Bellville, on the map in terms of global best practice in urban management. We are very pleased with this award and will continue to strive for the same levels of excellence, in partnership with the City and other stakeholders in the future.

Constructed from three repurposed shipping containers, the centre is run by Sister Mandiswa



Swart, a nurse who has taken up the challenge of managing the hub and to keep operating even during the COVID-19 pandemic. The centre offers primary health care, diagnostic testing, eye care and a chronic medicine dispensary unit. The healthcare hub was opened formally in November 2019 by Executive Mayor of Cape Town, Dan Plato.

“The Greater Tygerberg Partnership’s innovative project received the IDA Pinnacle Award for setting the new standard for improving cities worldwide... The Sha’p Left Nursing Hub in Bellville has made an impact on the environment and the people who live, work and play in the community, and also demonstrates the continued commitment to champion livable, vital and thriving urban centres.” - David Downey, IDA President & CEO.

The 2020 Downtown Achievement Awards are sponsored by Grow with Google. Additional information on the Pinnacle award winners can be found online at downtown.org.



**INSPIRED LEADERS
SHAPING CITIES**



PROJECT SPOTLIGHT

BUILDING BELLVILLE'S BUSINESS COMMUNITY WITH BELLVILLE CONNECT

What's all the fuss about buying local?

You've probably heard a lot of people talking about local: buying local, supporting local, staying local, so what's all the fuss about?

The movement to buy local is definitely an outcome of the lockdown reality. Behaviour has shifted to being community-minded both geographically, with the call to stay home, and psychologically, with an increasing need for us to care for one another in the midst of a global pandemic. Struggling businesses need their nearest customers now more than ever. But the localisation message has been brewing for some time in a bigger economic picture.

The rapid rise of globalisation resulted in a series of job losses worldwide and a rise to prominence of countries that exploited cheap labour or resources to undercut the marketplace. The breakdown of the deeply interconnected local manufacturing industry has led to instability across the whole sector and a reliance on imported goods over which businesses had little control and no relationship. The result is a lot of sameness, fewer jobs and fewer skills in the manufacturing sector.

Bellville is an active, thriving business centre, rich with opportunities for businesses to sell to local customers and also to other businesses. It's a retail hub, where around 85% of businesses are locally owned. In the CBD, around 220 retail companies operate in shopping precincts that range from independent trading communities, to a high street environment, to community malls and up to bigbox shopping centres. In short, for locally owned businesses and consumers looking for great deals, we've got it all going on.





let's connect

Please complete the form to register for Bellville Connect and sign up your business.

Registration Details

I would like to become Entrepreneur Powerplayer

Company name: _____

Size of company: how many employees 0-50 51-100 101-150

Contact person: _____

Job title: _____

Registered address: _____

Email address: _____

Contact number: _____ Call number: _____

Office number: _____

Directory Listing

Please supply a logo and four good quality photos that we can use digitally. Resolution 300 dpi.

Logo attached (800 x 800 Pixels) Quality images attached

Trading name: _____

Short business summary: max 200 characters

please continue on page 2 >>>

Even with these assets as a critical economic node in the metropole, we are presented with a substantial set of challenges right now. I don't need to outline them because each and every one of us is living out these realities to a greater or lesser extent. There's no doubt that we're at a turning point in our history, for our society and economy. In these unusual times, the community of Bellville must navigate new paths.

It can all start with us. Choosing to buy from your local business creates a sustainable economy and a connected community. Choosing to buy locally made goods, food and clothing also helps the whole infrastructure, creating jobs and encouraging more people to become entrepreneurs and create jobs for others.

The GTP is heeding the call to assist small businesses in reaching local consumers and clients. The Bellville Connect platform delivers an additional solution for SMEs in Bellville to build, grow and thrive. It's a platform that can facilitate local businesses selling to local customers for local growth and development.

Bellville Connect is open to all businesses in Bellville. Sign up to via www.bellvilleconnect.co.za or contact info@bellvilleconnect.co.za for more information.

HIGHLIGHT MONTH



PETCO sponsored 20 trollies, which created jobs for 7 waste collectors who were partnered with 25 businesses to remove their recyclable materials to a local buy-back centre. The Recycling & Trolley Project has been nominated for the 2020 PETCO Awards.

JULY

THE TROLLEY PROJECT



We held our annual conference in a groundbreaking format in a vacant office space on the first floor of Middestad Mall. We showcased the possibilities and opportunities for investment and invited investors to take advantage of those opportunities. At this event we also launched the first edition of the Bellville Value Proposition, a document outlining the investment case for Bellville.

AUGUST

DISCOVERING BELLVILLE: GTP CONFERENCE



The idea was to activate Tielman Marais Park by running as many 1km loops inside the park as possible in six hours. For every 1km run, R10 was donated towards the Bellville City Outreach program. Collectively, participants completed 872 km/laps, resulting in a donation of R8 720 to the outreach programme. Thanks to African Bank, who donated R5 000.

OCTOBER

GTP URBAN TRAIL RUN



We supported the Tygerberg Hospital Children's Trust with marketing and organisation for their World Premie Day family run.

NOVEMBER

WORLD PREMIE DAY



Renowned local muralist Murray Cowan, aka Strange Harvest, approached us to create a mural in tribute to the World Cup Rugby champions, the Springboks. The mural, high up on the Toplin Building, features Siya Kolisi, team captain who became the national icon for hope, preservation, diversity and proud Africanism.

NOVEMBER

CELEBRATING OUR NATIONAL PRIDE



Cape Town's Executive Mayor Dan Plato officially opened the Sha'p Left Community Healthcare Hub, at the Bellville public transport interchange. This project was delivered thanks to the generous sponsorship of the Cipla Foundation and enabled by the City of Cape Town, to provide accessible, affordable healthcare to people in Bellville.

NOVEMBER

PROVIDING HEALTHCARE FOR ALL



The generous community in Bellville donated over 300 pair of shoes, 1920kg of clothes for the annual pop-up Street Store, where 160 homeless people were able to 'shop' for new clothes. The Department of Home Affairs helped five homeless people with identity documents. With the help of our partners at the VRCID, we were able to create jobs and reunite families.

DECEMBER

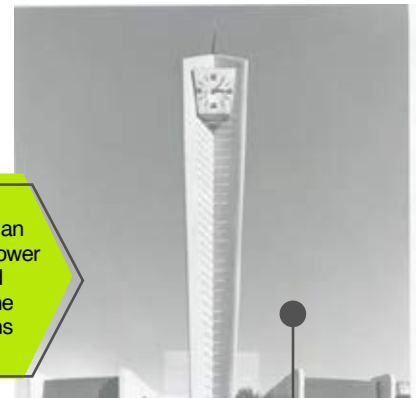
BREAKING RECORDS AT THE POP-UP STREET STORE



Through the pilot of our Zero Waste Schools project, DF Malan High school reduced the amount of waste sent to landfill by 32.5%. The school increased its rate of recycling from 35% to 55%, and composted all food waste and compostable packaging making up 12.5% of waste diverted from landfill. This equated to savings of R36 000 a year in waste removal costs, and a recycling rebate of R1 566.

DECEMBER

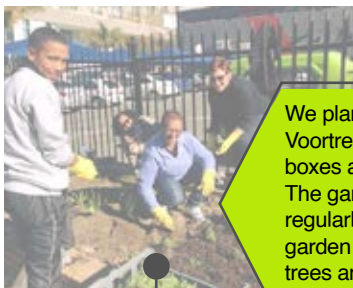
CUTTING WASTE & SAVING MONEY FOR DF MALAN HIGH SCHOOL



With support from the City of Cape Town, we commissioned an evaluation of the iconic Clock Tower at the Bellville Civic Centre, and developed a plan to refurbish the clock and redevelop the gardens around the structure.

JANUARY

IT'S ALL ABOUT TIMING



We planted six planter boxes on Voortrekker Road and installed two herb boxes at the Sha'p Left Healthcare Hub. The gardens are watered and maintained regularly. We now have 18 active urban garden beds, which includes three lemon trees and two 1.2 x 1 metre herb garden beds.

FEBRUARY

GREENING THE CITY WITH WATER-WISE GARDENS



Working with Kwesu Organisation, MES, other NGOs and the community, we facilitated the making and distribution of 7 760 masks to frontline workers at the height of the COVID crisis

MARCH

MASKS ON FOR SAFETY

MAY

Responding to calls from the community for clean, safe public spaces, we facilitated the creation of the Friends of Tielman Marais Park, with participation from the newly formed Boston CID, the City of Cape Town, the Boston Neighbourhood Watch, and the Voortrekker Road Corridor Improvement District.



GETTING THE BASICS RIGHT



We activated a food donation drive for hungry, vulnerable and unemployed people in Bellville and Eerste River. Between May and June, we collected donations in food and money which contributed to 969kg of food, to feed 900 people a week through a local feeding scheme.

JUNE

FEEDING NEEDY NEIGHBOURS

JULY-JUNE

We secured print, broadcast and online media coverage worth R4 592 550. Add social media coverage into the mix and the total value of our communications efforts for the year equates to R6 732 565.

TELLING OUR STORY





CORPORATE GOVERNANCE

BOARD OF DIRECTORS & REPRESENTATIVES

| | |
|---------------------|---------------------|
| Justin Coetzee | Chairperson |
| Sanett Uys | Deputy Chairperson |
| Warren Hewitt | Management |
| Johan Bester | |
| Larry Pokpas | |
| Owen Mbundu | |
| Georges Comitis | |
| Gerhard Hitge | |
| Abdul-Rashid Essop | |
| Johan van der Merwe | City Representative |
| Annelize van Zyl | City Representative |
| Mercia Kleinsmith | City Representative |

* The City of Cape Town has three representatives who are not appointed Directors of the GTP, but attend all Board meetings

THE BOARD

Responsibilities

The Board is the focal point of governance of the GTP and assumes ultimate accountability and responsibility for the performance and affairs of the Partnership, but in so doing also acts with regard to the legitimate expectations of its stakeholders. Its responsibilities accordingly relate to the strategic direction, leadership, governance and oversight of the GTP.

The Board has the authority to establish standing and/or Ad-hoc committees to assist it in the performance of its functions and to exercise some of its powers. The following standing Committees were established and are functioning as an extension of the Board:

- Audit, Risk, Governance & Compliance Committee
- Nominations & Appointments Committee
- Advisory Council

The functioning, terms of reference and procedures for each standing Committee are clearly defined in the different Committee Charters.

AUDIT, RISK, GOVERNANCE & COMPLIANCE COMMITTEE (ARGC)

Johan Bester (Chairperson), George Comitis, one vacancy

Membership

The Board of the GTP must annually appoint the members of the ARGC. The Committee must consist of not less than three directors and the Board will appoint the Chairperson. The Chairperson may determine the frequency of the meetings, but the Committee

must meet at least three times every year. A standing invitation to the meetings of the Committee shall be issued to the Chairperson of the Board and Chief Executive Officer. The ARGC has the prerogative to meet separately with management and the Auditors on a regular basis at executive sessions. The Chairperson must regularly provide feedback to the Board on the ARGC's activities and deliberations.

Responsibilities

In summary, the Committee's responsibilities relate to the financial, audit and risk aspects, which impact on the GTP and is authorised to perform the following tasks:

- Review the GTP's accounting policies on an annual basis, prior to the finalisation of the annual results
- Review and recommend for approval to the Board, the Annual Statements, the Annual Report (including any summary thereof) and related press releases
- Review the GTP's compliance with mandatory corporate governance principles and disclosures
- Ensure accountability of management for internal control and the appropriate "control culture" within the GTP
- Consider and approve the approach followed by financial management for formally designing, implementing, documenting and reviewing the internal financial controls
- Review the reports by management and the auditors on the internal controls over the financial reporting processes
- Nominate to the Board the appointment, reappointment or removal of the external Auditor
- Review the GTP's risk exposure
- Ensure that Management is deriving value from their use of, and investment in IT
- Review the adequacy and effectiveness of the system which ensures the ongoing compliance with all relevant laws and regulations applicable to the GTP
- Review reports to regulatory authorities as necessary.

NOMINATIONS & APPOINTMENTS COMMITTEE

Desmond Smith (Chairperson) (Independent), Justin Coetzee (Ex Officio member), Willie Esterhuyse (Independent) (resigned 31 January 2020), Larry Pokpas, Sanett Uys, Johan Bester, Warren Hewitt (Management)

Membership

The Committee must consist of not less than five members of which two shall be independent persons and three or more shall be directors of the Board. The independent members must be well-known, respected and experienced business or community leaders with the capacity of independent thinking. These independent members are elected by the Board for an indefinite period in order to provide experience and long-term leadership to the Committee. The Board Chairman will ex officio be a member of the Committee.

Responsibilities

The Committee is responsible for the consideration of nominations for the Board and the final appointment of Board members. The Committee is also mandated to attend to and perform the following specific tasks:

- Identify and evaluate suitable candidates for possible appointment to the Board and also consider nominations from the GTP's members and directors
- Consider specific disciplines and areas of expertise required on the Board as well as taking other requirements and the responsibilities of retiring directors, into account when considering nominees
- Ensure that Board members are from the Cape Town vicinity and preferably from the greater Tygerberg area, representing the founding partners and other members in terms of the Memorandum of Incorporation
- Endeavour to appoint experienced Board members who are representative of the population/composition of the greater Tygerberg area
- Review the structure, size and composition of the Board and its committees and make recommendations to the Board
- Assist the Chairman of the Board with the evaluation of the effectiveness of the Board and individual Board members.

ADVISORY COUNCIL MEMBERS

Desmond Smith (Chairperson), Warren Hewitt (Management), Chris O'Connor, Neil Basson, Alwyn Laubscher, Bernie Berkowitz, Rosemary Rau, Ricky van der Walt, Abdullahi Ali Hassan, Johan Gericke, Iwan Tolken, Ian Erlank, Michael Berk, Clive Justus

The establishment of the Advisory Council by the Board of the Greater Tygerberg Partnership is aligned with the guidance provided by the King Report on Corporate Governance 2016 (King IV). The purpose of the Advisory Council is to serve the GTP Board in an advisory capacity regarding the development of strategy, policies, and best practices.

This will be achieved by:

- Providing advice and wise counsel to the GTP Board within the areas of the experience and expertise of the members of the Council
- Linking the GTP into the various constituencies and networks of the Council members by spanning organisational and institutional boundaries and by providing further introductions and legitimisation into the communities and stakeholders in which the members are influential
- Bringing forward the needs and concerns of the various stakeholders relevant to the work of the GTP

The Advisory Council will comprise of individuals who possess a wealth of experience in the fields of expertise that are relevant to the GTP's work and create a network which inter-alia will include individuals who are active in business, education, banking, investment, property management, innovation and community development. In addition to participating in the meetings, members also take an active role in areas such as mentoring, providing introductions for fundraising and other purposes, assisting in committees or working groups and participating in special events, such as conferences. Council members are appointed by the GTP board in consultation with the Nominations & Appointments Committee.

Responsibilities

The responsibilities of the Advisory Council are:

- Provide advice and wise counsel
- Discuss potential/alternative solutions and implementation approaches available for consideration by the GTP Board
- Identify and discuss customer and industry best practices
- Involve stakeholders in the current and upcoming projects and initiatives in order to ensure relevance and support
- Promote the GTP and its programmes or services within their organisations
- Provide access to networks, stakeholders, professions relevant to the respective issues
- Liaison and points of contact with the business, development, investment and other stakeholder groupings, including local stakeholders that have a vested interest in the revitalisation and well-being of the greater Tygerberg region.

GREATER TYGERBERG PARTNERSHIP NPC

(Registration number: 2012/181308/08)

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2020

General Information

| | |
|---|--|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Share knowledge-based leadership with and provide strategic support to business, health and education institutions as well as residents and visitors to the northern urban area. Facilitate the establishment of a shared vision and a common agenda to develop and promote an inclusive area. Creatively address the potential of the area in collaboration with the City and other key stakeholders, investors and partners. |
| Directors | JP Bester J Coetzee G Comitis WG Hewitt OL Mbundu LBM Pokpas S Uys G Hitge AR Essop |
| Registered office | First Floor Bell Park Cnr of De Lange/Durban Avenues Cape Town 7530 |
| Postal address | First Floor Bell Park Cnr of De Lange/Durban Avenues Cape Town 7530 |
| Auditors | PricewaterhouseCoopers Inc. Chartered Accountants (SA) Registered Auditor |
| Company registration number | 2012/181308/08 |
| Level of assurance | These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008. |
| Preparer | These annual financial statements have been externally prepared under the supervision of WG Hewitt (CEO). |

INDEX

The reports and statements set out below comprise the annual report presented to the members:

| | |
|--|-------|
| Directors' Responsibilities and Approval | 24 |
| Independent Auditor's Report | 25-27 |
| Directors' Report | 28-29 |
| Statement of Financial Position | 30 |
| Statement of Comprehensive Income | 30 |
| Statement of Changes in Equity | 31 |
| Statement of Cash Flows | 31 |
| Accounting Policies | 32-35 |
| Notes to the Annual Financial Statements | 36-39 |

The following supplementary information does not form part of the annual financial statements and is unaudited:

| | |
|---------------------------|-------|
| Detailed Income Statement | 40-41 |
|---------------------------|-------|

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities, revised in 2015. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, revised in 2015 and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2021 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 25 to 27.

The annual financial statements and additional schedules set out on pages 28 to 41, which have been prepared on the going concern basis, were approved by the board of directors on 26 August 2020 and were signed on their behalf by:



DIRECTOR



DIRECTOR

INDEPENDENT AUDITOR'S REPORT

To the Members of Greater Tygerberg Partnership NPC

OUR OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greater Tygerberg Partnership NPC (the Company) as at 30 June 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

What we have audited

Greater Tygerberg Partnership NPC's financial statements set out on pages 28 to 37 comprise:

- the statement of financial position as at 30 June 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the accounting policies; and
- the notes to the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards).

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Greater Tygerberg Partnership NPC Annual Financial Statements for the year ended 30 June 2020", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PRICEWATERHOUSECOOPERS INC.
DIRECTOR: JN BOSHOFF
REGISTERED AUDITOR
STELLENBOSCH
26 AUGUST 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Greater Tygerberg Partnership NPC for the year ended 30 June 2020.

1. MAIN BUSINESS AND OPERATIONS

The company is engaged to share knowledge-based leadership with and provide strategic support to business, health and education institutions as well as residents and visitors to the northern urban area. Facilitate the establishment of a shared vision and a common agenda to develop and promote an inclusive area. Creatively address the potential of the area in collaboration with the city and other key stakeholders, investors and partners.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

2. SHARE CAPITAL

There is no authorised or issued share capital as the company is a non-profit company, with non-voting members.

3. DIRECTORS

The directors in office at the date of this report are as follows:

| Directors | Changes |
|------------|-------------------------|
| JP Bester | |
| J Coetzee | |
| G Comitis | |
| WG Hewitt | |
| CJ Kensley | Resigned 21 August 2019 |
| OL Mbundu | |
| LBM Pokpas | |
| S Uys | |
| G Hitge | |
| AR Essop | |

There have been no other changes to the directorate for the period under review.

4. RISK AND GOVERNANCE

The Greater Tygerberg Partnership NPC is overseen by various governance structures not limited to but including an Audit, Risk and Governance Committee.

5. EVENTS AFTER THE REPORTING PERIOD

No other matter which is material to the financial affairs of the company has occurred between the reporting date and the date of approval of the financial statements.

6. GOING CONCERN

As a result of the global coronavirus pandemic and corresponding international health and economic crises unfolding, South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by the government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While the company will not be immune to these challenges, it however has been allowed to continue most operations. All projects are continuously assessed in conjunction with the City of Cape Town and adjusted in accordance with available cashflow. The short- to medium term severity of the global coronavirus pandemic and consequent impact on the viability of our business, however, remain uncertain.

The current assessment of management is that sufficient liquidity is available to meet obligations over the next 12 months and will therefore remain a going concern. Management is however continuously assessing the impact of the Covid pandemic on its operations, financial performance and going concern ascertains and will implement additional measures to minimise the impact where possible.

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

7. AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90(6) of the Companies Act 71 of 2008.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

| | Notes | 2020 R | 2019 R |
|-----------------------------|-------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | | | |
| Plant and equipment | 5 | 75 390 | 59 621 |
| Current Assets | | | |
| Inventories | 2 | 6 693 | 7 836 |
| Trade and other receivables | 3 | 148 039 | 111 123 |
| Cash and cash equivalents | 4 | 3 127 630 | 3 647 831 |
| | | 3 282 362 | 3 766 790 |
| Total Assets | | 3 357 752 | 3 826 411 |

Equity and Liabilities

Equity

| | | | |
|------------------|--|-----------|-----------|
| Accumulated fund | | 2 439 800 | 2 463 562 |
|------------------|--|-----------|-----------|

Liabilities

Current Liabilities

| | | | |
|--------------------------|---|---------|-----------|
| Trade and other payables | 6 | 917 952 | 1 362 849 |
| Total Liabilities | | 917 952 | 1 362 849 |

| | | | |
|-------------------------------------|--|------------------|------------------|
| Total Equity and Liabilities | | 3 357 752 | 3 826 411 |
|-------------------------------------|--|------------------|------------------|

STATEMENT OF COMPREHENSIVE INCOME

| | Notes | 2020 R | 2019 R |
|---|-------|------------------|------------------|
| Income | 1.7 | 7 400 000 | 7 780 000 |
| Project expenses | 9 | (5 212 474) | (3 732 617) |
| Operating income | | 2 187 526 | 4 047 383 |
| Sale of goods | | 251 809 | 239 898 |
| Cost of sales | | (201 663) | (251 740) |
| Operating income | | 2 237 672 | 4 035 541 |
| Other income | 7 | 352 254 | 406 068 |
| Operating expenses | | (2 797 955) | (5 088 051) |
| Operating deficit | | (208 029) | (646 442) |
| Investment revenue | 10 | 184 267 | 226 653 |
| Deficit before taxation | | (23 762) | (419 789) |
| Taxation | | - | - |
| Deficit for the year | | (23 762) | (419 789) |
| Other comprehensive income | | - | - |
| Total comprehensive deficit for the year | | (23 762) | (419 789) |

The accounting policies and notes on pages 32 to 39 form an integral part of the annual financial statements.

STATEMENT OF CHANGES IN EQUITY

| | Accumulated funds R | Total equity R |
|--|---------------------------|-------------------|
| Balance at 01 July 2018 | 2 883 351 | 2 883 351 |
| Changes in equity | | |
| Total comprehensive deficit for the year | <u>(419 789)</u> | <u>(419 789)</u> |
| Total changes | <u>(419 789)</u> | <u>(419 789)</u> |
| Balance at 01 July 2019 | 2 463 562 | 2 463 562 |
| Changes in equity | | |
| Total comprehensive deficit for the year | <u>(23 762)</u> | <u>(23 762)</u> |
| Total changes | <u>(23 762)</u> | <u>(23 762)</u> |
| Balance at 30 June 2020 | 2 439 800 | 2 439 800 |

STATEMENT OF CASH FLOWS

| | Notes | 2020 R | 2019 R |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash used in operations | 11 | (661 230) | (448 229) |
| Interest income | | 184 267 | 226 653 |
| Net cash used in operating activities | | (476 963) | (221 576) |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | 5 | <u>(43 238)</u> | <u>(47 620)</u> |
| Net cash used in investing activities | | (43 238) | (47 620) |
| Net decrease in cash, cash equivalents for the year | | (520 201) | (269 196) |
| Cash, cash equivalents at the beginning of the year | | 3 647 831 | 3 917 027 |
| Cash, cash equivalents at end of the year | 4 | 3 127 630 | 3 647 831 |

ACCOUNTING POLICIES

GENERAL INFORMATION

Greater Tygerberg Partnership NPC is a non-profit company incorporated and domiciled in South Africa.

The company is engaged to share knowledge-based leadership with and provide strategic support to business, health and education institutions as well as residents and visitors to the northern urban area. Facilitate the establishment of a shared vision and a common agenda to develop and promote an inclusive area. Creatively address the potential of the area in collaboration with the city and other key stakeholders, investors and partners.

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, revised in 2015, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Financial assets measured at cost and amortised cost

The company assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Judgements in applying the entity's accounting policies

Management did not make any critical judgements in applying the entity's accounting policies.

1.2 PLANT AND EQUIPMENT

Plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of plant and equipment, the carrying amount of the replaced part is derecognised.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the plant and equipment, which is as follows:

| Item | Average useful life |
|------------------------|---------------------|
| Furniture and fixtures | 6 years |
| IT equipment | 3 years |
| Coffee shop equipment | 6 years |

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit in the period.

1.3 FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction, in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Subsequent measurement

Debt instruments, such as loans, trade receivables and trade payables, are subsequently measured at amortised cost using the effective interest rate method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost of effort are measured at cost less impairment.

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably without undue cost of effort, are measured at fair value through profit and loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown separately in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.4 INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods comprises packaging costs, raw materials, direct labour and other direct costs. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

1.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The company assesses at each reporting date whether there is any indication that plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the company has an obligation at the reporting period date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.7 REVENUE/INCOME

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and Value Added Tax.

(a) Grants/allowance received

Grants/allowances received are recognized on receipt of the monies in the bank account of the entity.

(b) Donations and proceeds of fund-raising activities

Donations and proceeds of fund-raising activities are recognized on receipt of the monies in the bank account of the entity.

(c) Other contributions from funders

Other cash contributions from funders are recognized on receipt of the money in the bank account of the entity.

(d) Interest income

Interest income is recognized on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

(e) Rent received

Rental income is recognised as it accrues in terms of the rental contract as payments in terms of the lease agreements are structured to increase in line with expected general inflation to compensate for the lessors' expected inflating cost increases.

(f) Sales of goods - coffee shop

The company operates a coffee shop. Sales of goods are recognised when the company sells a product to the customer, because control passes to the customer on the day that the transaction takes place. Coffee shop sales are usually in cash or by credit card.

1.8 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | 2020 | 2019 |
|--|------|------|
| | R | R |

2. Inventories

| | | |
|---------------------------|-------|-------|
| Inventories - Coffee shop | 6 693 | 7 836 |
|---------------------------|-------|-------|

3. Trade and other receivables

| | | |
|------------------|----------------|----------------|
| Accrued income | 88 230 | 16 394 |
| Deposits | - | 4 400 |
| VAT | 38 120 | 56 846 |
| Prepaid expenses | 21 689 | 33 483 |
| | <u>148 039</u> | <u>111 123</u> |

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------------|------------------|------------------|
| Cash on hand | 3 173 | - |
| Bank balances | 262 341 | 80 064 |
| Short-term deposits | 2 862 116 | 3 567 767 |
| | <u>3 127 630</u> | <u>3 647 831</u> |

5. Plant and equipment

| | 2020 | | | 2019 | | |
|------------------------|----------------|--|----------------|----------------|--|----------------|
| | Cost | Accumulated Depreciation & impairments | Carrying Value | Cost | Accumulated Depreciation & impairments | Carrying Value |
| Furniture and fixtures | 224 417 | (218 104) | 6 313 | 224 417 | (215 663) | 8 754 |
| IT equipment | 360 573 | (334 044) | 26 529 | 340 335 | (317 778) | 22 557 |
| Coffee shop equipment | 52 564 | (10 016) | 42 548 | 29 563 | (1 253) | 28 310 |
| Total | 637 554 | (562 164) | 75 390 | 594 315 | (534 694) | 59 621 |

Reconciliation of plant and equipment - 2020

| | Opening Balance | Additions | Depreciation | Carrying Value |
|------------------------|-----------------|---------------|-----------------|----------------|
| Furniture and fixtures | 8 754 | - | (2 441) | 6 313 |
| IT equipment | 22 557 | 20 238 | (16 266) | 26 529 |
| Coffee shop equipment | 28 310 | 23 000 | (8 762) | 42 548 |
| Total | 59 621 | 43 238 | (27 469) | 75 390 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Plant and equipment (continued)

Reconciliation of plant and equipment - 2019

| | Opening Balance | Additions | Depreciation | Carrying Value |
|------------------------|--------------------|---------------|-----------------|-------------------|
| Furniture and fixtures | 39 212 | - | (30 458) | 8 754 |
| IT equipment | 20 428 | 18 057 | (15 928) | 22 557 |
| Coffee shop equipment | - | 29 563 | (1 253) | 28 310 |
| Total | 59 640 | 47 620 | (47 639) | 59 621 |

2020

2019

R

R

6. Trade and other payables

| | | |
|------------------------|----------------|------------------|
| Trade payables | 104 563 | 98 538 |
| Accrual for leave pay | 276 481 | 165 295 |
| Accrual for audit fees | 101 800 | 99 870 |
| Provision for projects | 381 889 | 747 346 |
| Other payables | 53 219 | 251 800 |
| Total | 917 952 | 1 362 849 |

7. Other income

| | | |
|------------------|----------------|----------------|
| Recovery of cost | 168 402 | 172 046 |
| Sundry income | 183 852 | 234 022 |
| Total | 352 254 | 406 068 |

8. Expenses by nature

| | | |
|--|------------------|------------------|
| Depreciation | 27 469 | 47 639 |
| Cost of sales | 201 663 | 251 740 |
| Advertising | 60 890 | 90 148 |
| Audit fees | 106 320 | 98 500 |
| Cleaning | 71 922 | 77 804 |
| Employee costs | 1 081 399 | 3 139 812 |
| Lease rentals on operating lease | 391 234 | 380 242 |
| Project expenses | 5 212 474 | 3 732 617 |
| Other expenses | 857 058 | 1 014 008 |
| Total project and administrative expenses | 8 010 429 | 8 832 510 |

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

| | 2020 | 2019 |
|-----------------------------|------------------|------------------|
| | R | R |
| 9. Projects expenses | | |
| Marketing | 590 168 | 604 371 |
| 24 Hour Economy | 1 451 434 | 984 193 |
| Connected Communities | 1 799 274 | 1 383 175 |
| Urban Transition | 1 371 598 | 760 878 |
| Total | 5 212 474 | 3 732 617 |

The above expenses include direct costs and include labour costs of R2 297 972. Labour costs are not included in the prior year amounting to R2 135 072.

In 2019 not all projects were completed for the year ended 30 June 2019. The City of Cape Town have approved a requested extension of projects valued at Rnil (2019: R300 000).

10. Investment revenue

Interest revenue

| | | |
|---------------------|---------|---------|
| Short-term deposits | 184 267 | 226 653 |
|---------------------|---------|---------|

11. Cash used in operations

| | | |
|------------------------------------|------------------|------------------|
| Deficit before taxation | (23 762) | (419 789) |
| Adjustments for: | | |
| Depreciation | 27 469 | 47 639 |
| Interest received | (184 267) | (226 653) |
| Changes in working capital: | | |
| Inventories | 1 143 | (7 836) |
| Trade and other receivables | (36 916) | 31 448 |
| Trade and other payables | (444 897) | 126 962 |
| Total | (661 230) | (448 229) |

12. Taxation

No provision has been made for normal income tax as the company enjoys status as an exempt institution.

13. Related parties

The following transactions took place with related parties:

Grants received

| | | |
|-------------------|-----------|-----------|
| City of Cape Town | 7 400 000 | 7 780 000 |
|-------------------|-----------|-----------|

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14. Directors' remuneration

Compensation to directors and other key management

2020

| | Salaries and other short term employee benefits | Total |
|--|---|-----------|
| Executive directors and key management - W. Hewitt | 1 295 582 | 1 295 582 |

2019

| | Salaries and other short term employee benefits | Total |
|--|---|-----------|
| Executive directors and key management - W. Hewitt | 1 220 208 | 1 220 208 |

Non-executive directors do not earn any compensation from the company.

15. Going concern

As a result of the global coronavirus pandemic and corresponding international health and economic crises unfolding, South Africa, similar to many countries around the world, is locked-down in terms of strict regulations imposed by the government. While the final outcome is unclear, it is anticipated that the negative economic impact in South Africa and around the world will be severe in the short- to medium term. While the company will not be immune to these challenges, it however has been allowed to continue most operations. All projects are continuously assessed in conjunction with the City of Cape Town and adjusted in accordance with available cashflow. The short- to medium term severity of the global coronavirus pandemic and consequent impact on the viability of our business, however, remain uncertain.

The current assessment of management is that sufficient liquidity is available to meet obligations over the next 12 months and will therefore remain a going concern. Management is however continuously assessing the impact of the Covid pandemic on its operations, financial performance and going concern ascertains and will implement additional measures to minimise the impact where possible.

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

16. Events after the reporting period

No matter which is material to the financial affairs of the company has occurred between the reporting date and the date of approval of the financial statements.

DETAILED INCOME STATEMENT

| | Notes | 2020 R | 2019 R |
|---|-------|------------------|------------------|
| Income | | | |
| Sale of goods | | 251 809 | 239 898 |
| Grants received | | 7 400 000 | 7 780 000 |
| Project expenses | 9 | (5 212 474) | (3 732 617) |
| Operating income and sale of goods | | 2 439 335 | 4 287 281 |
| Cost of sales | | | |
| Opening stock | | (7 836) | - |
| Purchases | | (200 520) | (259 576) |
| Closing stock | | 6 693 | 7 836 |
| | | (201 663) | (251 740) |
| Gross income | | 2 237 672 | 4 035 541 |
| Other income | | | |
| Recovery of costs | 7 | 168 402 | 172 046 |
| Sundry income | | 183 852 | 234 022 |
| Interest received | 10 | 184 267 | 226 653 |
| Total other income | | 536 521 | 632 721 |
| Total operating and other income | | 2 774 193 | 4 668 262 |
| Expenses (Refer to page 41) | | (2 797 955) | (5 088 051) |
| Deficit for the year | | (23 762) | (419 789) |

The supplementary information presented does not form part of the annual financial statements and is unaudited.

DETAILED INCOME STATEMENT

| | Notes | 2020 R | 2019 R |
|-------------------------------------|-------|--------------------|--------------------|
| Operating expenses | | | |
| Accounting fees | | (155 345) | (136 262) |
| Advertising | | (60 890) | (90 148) |
| Auditor's remuneration | | (106 320) | (98 500) |
| Bank charges | | (16 274) | (18 310) |
| Cleaning | | (71 922) | (77 804) |
| Computer expenses | | (326 056) | (296 109) |
| Conferences | | (25 355) | (24 548) |
| Consulting fees - service contracts | | (135 245) | (297 525) |
| Depreciation | | (27 469) | (47 639) |
| Donations | | - | (3 116) |
| Employee costs - projects | | - | (2 135 072) |
| Employee costs - admin | | (1 081 399) | (1 004 740) |
| General expense | | (84 309) | (146 735) |
| Insurance | | (21 007) | (28 461) |
| Lease rentals on operating lease | | (391 234) | (380 242) |
| Legal fees | | (40 615) | (57 950) |
| Postage | | - | (1 212) |
| Printing and stationery | | (42 423) | (68 771) |
| Repairs and maintenance | | (30 123) | (10 113) |
| Staff recruitment | | - | (12 022) |
| Subscriptions | | (10 407) | (5 721) |
| Telephone and fax | | (43 107) | (47 393) |
| Travel and entertainment | | (58 771) | (29 749) |
| Utilities | | (69 684) | (69 909) |
| Total | | (2 797 955) | (5 088 051) |

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