



**Approved by Board on 29 March 2021**

# **Corporate Plan**

**2021/2022**

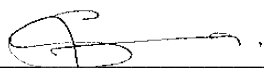


**“Together we move the North West Province forward”**

## Statement by the Accounting Authority

It is hereby certified that this Corporate plan:

- Was developed by the management of the Golden Leopard Resorts SOC Ltd (GLR) under the guidance of the Shareholder (NWDC);
- Was prepared in line with the current Shareholder's Compact of the GLR Group; and
- Accurately reflects the performance targets which the GLR Group will endeavour to achieve given the resources made available in the 2021/2022 budget.

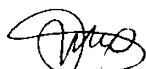


**Mr Stephen Kurwara**  
Finance Manager Reporting



**Ms S Tshehla**  
Acting Chief Executive Officer

### APPROVED FOR SUBMISSION TO LEGISLATURE BY:



**Mr SF Kgodumo**  
Chairperson of the Board of GLR

## Abbreviations & Acronyms

Acronym	Description	Acronym	Description
<b>ACEO</b>	Acting Chief Executive Officer	<b>MTEF</b>	Medium Term Expenditure Framework
<b>ARC</b>	Audit and Risk Committee	<b>MTSF</b>	Medium Term Strategic Framework
<b>BPDM</b>	Bojanala Platinum District Municipality	<b>NDP</b>	National Development Plan
<b>CEO</b>	Chief Executive Officer	<b>NEMA</b>	National Environmental Management Act
<b>DBSA</b>	Development Bank of South Africa	<b>NGP</b>	National Growth Path
<b>DKKDM</b>	Dr Kenneth Kaunda District Municipality	<b>NMMDM</b>	Ngaka Modiri Molema District Municipality
<b>DRSMDM</b>	Dr Ruth Segomotsi Mompati District Municipality	<b>NTSS</b>	National Tourism Sector Strategy
<b>DVA</b>	Day Visitors Area	<b>NWDC</b>	North West Development Corporation
<b>EAP</b>	Economically Active Population	<b>NWP</b>	North West Province
<b>EEA</b>	Employment Equity Act	<b>PFMA</b>	Public Finance Management Act
<b>EIA</b>	Environmental Impact Assessment	<b>PGDS</b>	Provincial Growth & Development Strategy
<b>FICA</b>	Financial Intelligence Act	<b>PSA</b>	Public Servants Association of South Africa
<b>GDP</b>	Gross Domestic Product	<b>PWD</b>	Persons with Disabilities
<b>GLR</b>	Golden Leopard Resorts	<b>QMS</b>	Quality Management System
<b>HR</b>	Human Resources	<b>SACCAWU</b>	South African Commercial, Catering and Allied Workers Union
<b>IT</b>	Information Technology	<b>SCM</b>	Supply Chain Management
<b>ICT</b>	Information Communication Technology	<b>SOEs</b>	State Owned Entities
<b>KPIs</b>	Key Performance Indicators	<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>M&amp;E</b>	Monitoring & Evaluation	<b>USP</b>	Unique Selling Point

# Index of Contents

Statement by the Accounting Authority	2
Abbreviations and Acronyms	3
<b>Part A: Overview of the Golden Leopard Resorts Group</b>	
1. The establishment of the GLR	7
1.1 Information, Services or Goods provided by the GLR Group	7
1.2 Legislation empowering the GLR to perform its functions	7
1.2.1 Core Mandate of the GLR Group	8
1.2.2 Legislative Compliance	8
1.3 Purpose	8
1.4 Vision	8
1.5 Mission	9
1.6 Supporting Values	9
1.7 Operating Principles	9
1.8 Business Principles	9
1.9 Organisational Environment	9
1.10 Moving Forward	10
1.11 GLR Group Stakeholders	11
<i>Table 1: GLR Stakeholder servicing</i>	11
<b>Part B: Corporate Governance</b>	
2. Organisational Structures within the GLR Group	13
2.1 The structure and composition of the Board of Directors and the Committees	13
2.2 The administrative structure of the GLR Group	14
2.3 The structure of the GLR Subsidiaries	15
2.4 Members of the Board (Executive and Non-Executive)	16
2.5 Members of the Board: Academic Qualifications and Areas of Expertise	16
2.6 Information of the Senior Executives of the GLR Group	16
<b>Part C: Policy Mandates and Economic Environment</b>	
3. Policy Mandates	20
4. PESTEL and SWOT Analysis	20
4.1 Environmental Scan	21

<i>Table 2: Examples of translation from Political trends to threats and opportunities</i>	<b>21</b>
<i>Table 3: Examples of translation from Economic trends to threats and opportunities</i>	<b>21</b>
<i>Table 4: Examples of translation from Social trends to threats and opportunities</i>	<b>22</b>
<i>Table 5: Examples of translation from Technological trends to threats and opportunities</i>	<b>22</b>
<i>Table 6: Examples of translation from Legal trends to threats and opportunities</i>	<b>23</b>
<i>Table 7: Examples of translation from Environmental trends to threats and opportunities</i>	<b>23</b>
<b>4.2</b> An analysis of the strategic objectives of the GLR indicated the following Strengths, Weaknesses, Opportunities and Threats	<b>23</b>
<b>4.3</b> Economic Overview	<b>25</b>
<b>4.3.1</b> Global Tourism	<b>25</b>
<b>4.3.2</b> Key findings: Tourism and Migration, October 2020	<b>26</b>
<b>4.3.3</b> North West Tourism	<b>31</b>
<i>Table 8: Tourism spend as a % of North West Tourism spend</i>	<b>31</b>
<i>Table 9: Total Tourist spend as a % of GDP (current prices)</i>	<b>31</b>
<i>Table 10: General statistical information for the Tourism areas in the North West Province as in 2019</i>	<b>32</b>
<i>Table 11: Tourism bed nights: North West Province</i>	<b>33</b>

## **Part D: Strategic Goals, Objectives & Performance Information**

<b>5.</b> Strategic Goals (Long-Term)	<b>34</b>
<i>Table 12: GLR Strategic Objectives and Measurable Goals</i>	<b>34</b>
<b>6.</b> Objectives	<b>35</b>
<b>6.1</b> Key Performance Indicators and Targets for 2021/2022:	<b>36</b>
<b>Programme 1: Governance and Administration</b>	<b>36</b>
<i>Table 13: Annual Targets</i>	<b>36</b>
<i>Table 14: Quarterly Targets</i>	<b>36</b>
<b>Programme 2: Business Operations</b>	<b>37</b>
<i>Table 15: Annual Targets</i>	<b>37</b>
<i>Table 16: Quarterly Targets</i>	<b>38</b>
<b>6.2</b> Technical descriptions for key performance indicators 2021/2022	<b>39</b>
<b>6.3</b> Historic performance (non-financial) of the GLR Group	<b>41</b>
<b>6.4</b> Reflecting on Outcomes	<b>41</b>
<i>Table 17: The MTSF outcomes, correlating NDP chapters and relevance to GLR</i>	<b>41</b>

## Table of Annexures

Annexure A	Risk Management Strategy	43
Annexure B	Financial Plan	63
Annexure C	Environmental Plan	70
Annexure D	Marketing & Communication Strategy	72
Annexure E	Employment Equity Strategy	84
Annexure F	Transfer of GLR to the North West Parks & Tourism Board	90

# Part A

## *Overview of the Golden Leopard Resorts Group*

*This section provides an overview of the Golden Leopard Resorts SOC Ltd and the legislative universe that establishes its core mandates and prescribed obligations for compliance.*

### **1) THE ESTABLISHMENT OF GOLDEN LEOPARD RESORTS SOC LTD**

Golden Leopard Resorts SOC Ltd (formerly known as Dirapeng SOC Ltd) was established in 1988 as the holding company for the Provincial Tourism portfolio. Madikwe River Lodge (Pty) Ltd and GL Resorts SOC Ltd (former Golden Leopard Resorts), were subsequently incorporated into the GLR Group. Christiana All Seasons Resort and Cookes Lake fall under the Group on a contractual management basis since 2015. The Group owns 50% shareholding in the Pilanesberg Resorts. GLR was transferred to the North West Development Corporation in 2015 with the mandate to create accessibility to key tourism attractions, promote economic development and to create sustainable jobs in the tourism industry within the North West Province.

GL Resorts SOC Ltd (formerly known as Golden Leopard Resorts) was established in 1992 and consists of Manyane and Bakgatla Resorts.

Madikwe River Lodge (Pty) Ltd was founded in 1994. These two entities were subsequently incorporated into the Dirapeng Group (GLR Group).

Christiana All Season Resorts and Cookes Lake fall under the group on a contractual management basis since 2015.

#### **1.1 Information, Services or Goods provided by the GLR Group:**

- To attract tourism into the NWP;
- Expand tourism offerings;
- Job sustainability;
- Economic growth;
- Accommodation;
- Food and Beverage;
- Camping and Caravan;
- Game drives and bush walks;
- Conferencing; and
- Speciality Packages

#### **1.2 Legislation empowering the GLR to perform its functions**

In this section, two legislative components are provided for. This first outlines the legislation from which the GLR Group derives its core mandate, the second provides a high-level legislative framework with which the GLR Group must comply on an ongoing basis.

### 1.2.1 Core Mandate of the GLR Group

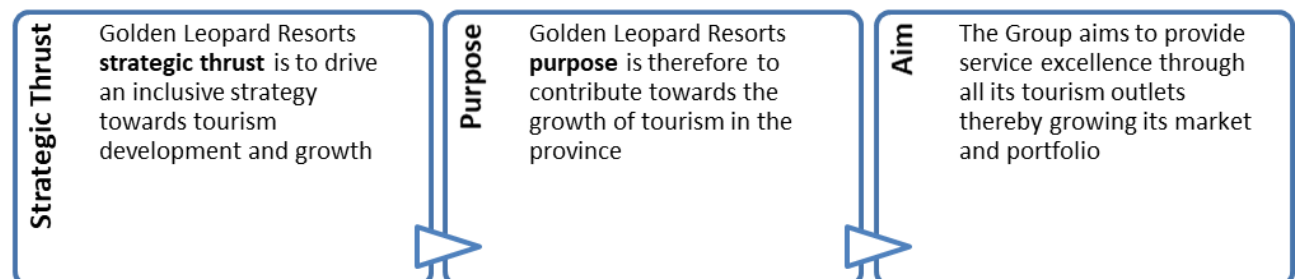
The GLR Group was established to develop and promote tourist resorts in the Republic of South Africa.

### 1.2.2 Legislative Compliance

The following Acts have been determined to have a material impact on the GLR Group and have thus been listed as laws to which the GLR Group must be compliant and manage compliance at all levels and in all areas of application of the legal provisions within the organisation.

- a) Public Finance Management Act No 1 of 1999
- b) Treasury Regulations
- c) National Archives Act No 43 of 1996
- d) National Credit Act No 34 of 2005
- e) Companies Act No 71 of 2008
- f) South African Revenue Services Act No 34 of 1997
- g) Basic Conditions of Employment Act No 75 of 1997
- h) Employment Equity Act No 55 of 1998
- i) Broad-Based Black Economic Empowerment Act No 53 of 2003
- j) Labour Relations Act No 66 of 1995
- k) Preferential Procurement Policy Framework Act No 5 of 2000
- l) Promotion of Access to Information Act No 2 of 2000
- m) Protection of Information Act No 84 of 1982
- n) Skills Development Act No 97 of 1998
- o) Public Service Corporate Governance of ICT Policy Framework
- p) Occupational Health and Safety Act No 85 of 1993
- q) Financial Intelligence Act No 38 of 2001 (FICA)
- r) Tourism Act No 03 of 2014
- s) National Environmental Management Act No 107 of 1998
- t) Intellectual Property Rights from Publicly Financed Research and Development Act No 51 of 2008

### 1.3 Purpose



### 1.4 Vision

To develop, manage, promote and grow sustainable hospitality in the North West Province.



## **1.5 Mission**

To contribute towards managing, promoting and growing the organisation through:

- Sound financial management;
- Good Corporate Governance;
- Sales and marketing; and
- Effective and efficient operational management

## **1.6 Supporting Values**

- We shall strive for transparency and open communication at all times;
- We shall act with honesty and integrity; and
- We shall provide services and solutions in a manner that is efficient, effective and responsive

## **1.7 Operating Principles**

The GLR Group operates under the following principles guiding the entity in its approach to business operations and strategic planning:

- Transparency and communication
- Integrity and trust
- Customer focus

## **1.8 Business Standards and Operations**

- a) GLR and its subsidiaries are focused on creating a business environment that is premised on service excellence and customer satisfaction.
- b) GLR and its subsidiaries are committed to the development and maintenance of a work environment that is safe, actively fosters personal development and integrity, and builds teamwork and value driven performance.

## **1.9 Organisational Environment**

There are certain challenges facing GLR in terms of financial constraints and organisational design. The structure needs to be aligned to the strategy. The Marketing function will continue to be crucial in assisting the turnaround strategy of the organisation.

Funding will remain a top priority as the organisation and business operations have expanded. Further to this, revised key policies have to be consistently implemented to continue the trend of reversing high expenditure against income.

In turning around the entity, the following key areas were focussed on:

- Governance;
- Capacity;

- Systems;
- Marketing; and
- Financial and Performance Management

By implementing rigorous changes in systems, procedures and the refreshed Standard Operating Procedures, we have seen remarkable improvement in staff performance as well as service delivery. This was proven by both Manyane and Bakgatla resorts receiving much sought after awards as hospitality resorts under the RCI rating. Continued efforts to do renovations and soft upgrades have resulted in guests noticing the changes and recognising the efforts put in to improve offerings.

Concerted efforts were made to finalise the amalgamation into one entity but the process has been slow due to declining revenue, hampering the ability to finalise all compliance matters. This is envisaged to be completed by 2021/2022.

The current organisational environment is not desirable, due to the following:

- Cash flow challenges;
- Legacy debt;
- No reserve funds;
- No funding to implement projects such as refurbishments
- Hierarchy inclined with many silos;
- Unskilled and incorrectly placed employees;
- Policies are still not relevant and despite having reviewed some of the company policies, others still need to be reviewed in the 2021/2022 financial year; and
- Low staff morale due to uncertainty regarding Shareholder financial support

#### **1.10 Moving Forward**

- GLR and its subsidiaries are embarking on a process of aligning a focused strategy with a functional structure that is lean, without compromising on efficiency. It is the intention of the group to follow suit of the Shareholder, the GLR, in ensuring that the structure and strategy fully support provincial priorities and delivers on the mandate.
- Severe financial constraints have hampered the ability of the Group to meet creditor obligations and effect necessary renovations and upgrades on all its properties, due since inception, with minor fixes being carried out on a daily basis. It is the Group's intention to continue lobbying for funding to enable the facilities to compete successfully against private sector competitors. The Group, through prudent financial management, will continue to engage in systematic maintenance of its facilities.
- GLR and its subsidiaries are focusing on recreating a strong brand that speaks of quality, service excellence and value for money. It is our focus in the immediate and medium term period to aggressively utilise social media to rebuild the reputation and brand of the group so as to maximize the "Bricks and Clicks" strategy adopted by Marketing. In pursuit of this, and given the limited budget, the Group aims to leverage mutually beneficial relationships with the shareholder, stakeholders and other interest groups.

- d) Moving forward, the Group is keeping the customer, our guests, at the forefront of all aspects of business; and therefore a customer-centric focus is pivotal to our strategy this fiscal. We are robustly implementing fair pricing principles aligned to our offerings and promoting accessibility and affordability without compromising the quality of our service. To deliver on this, the organisation will strive to maintain price increases within the industry norm and in line with the standard of our offerings.
- e) In the year ahead, more focus will be placed on skills development, training, upliftment and retention of key employees. Through a skilled and competent workforce we will be able to deliver on our mandate, objectives and target set.
- f) To streamline our efforts, we will align our performance management practices with that of the Shareholder and ensure that best practices are adhered to.

### 1.11 GLR Group Stakeholders

In our quest to ensure delivery on our mandate, the GLR Group has defined key stakeholders within the programme areas, as these programmes are reliant on different stakeholder groupings. The following provides a high-level outline of the stakeholders important to the GLR Group, broadly including those serviced by the GLR Group's purpose. In our Programme activities, ongoing stakeholder analysis will constitute a key activity.

**Table 1: GLR Stakeholder servicing**

Name of Stakeholder	Short description of perceived or real Stakeholder needs	Economic Sector
<b>Provincial &amp; National Government Departments</b>	GLR and its Subsidiaries comply to policy and legislative mandates and road maps and give feedback on the execution thereof	Government
<b>Shareholder</b>	Return on Investment	Government
<b>GLR Clients:</b> <i>Domestic and International Tourists, Tour Operators and Travel Agents, Government Departments, Corporate Clients, Local Communities, Tribal Authorities, Buyers, Cooperatives and Investors</i>	<ul style="list-style-type: none"> <li>Efficient and professional service from GLR;</li> <li>Transparency, honesty, integrity, open communication and fair pricing;</li> <li>Active corporate social investment and employment retention</li> </ul>	Tourism
<b>GLR Suppliers</b>	Professional and ethical business conduct. Right to be paid within a reasonable timeframe for services/goods rendered as per the PFMA regulations	Various
<b>Tertiary Institutions</b>	Reciprocal relationship of cooperation on matters of mutual interest and provision of experiential training for students in the hospitality industry	Academia
<b>Broad Public of the North West Province</b>	Awareness of and accessibility to the service offerings of GLR and its subsidiaries	All
<b>Media</b>	Right to be informed of key news events and matters of public interest pertaining to the entity's execution	Media

Name of Stakeholder	Short description of perceived or real Stakeholder needs	Economic Sector
	of its mandate	
<b>Internal Stakeholders:</b> <i>GLR and Subsidiaries Staff and Union Representatives</i>	Right to be informed and listened to pertaining to all topics relevant and pertinent to the effective execution of their duties. Need to feel respected and valued	Internal

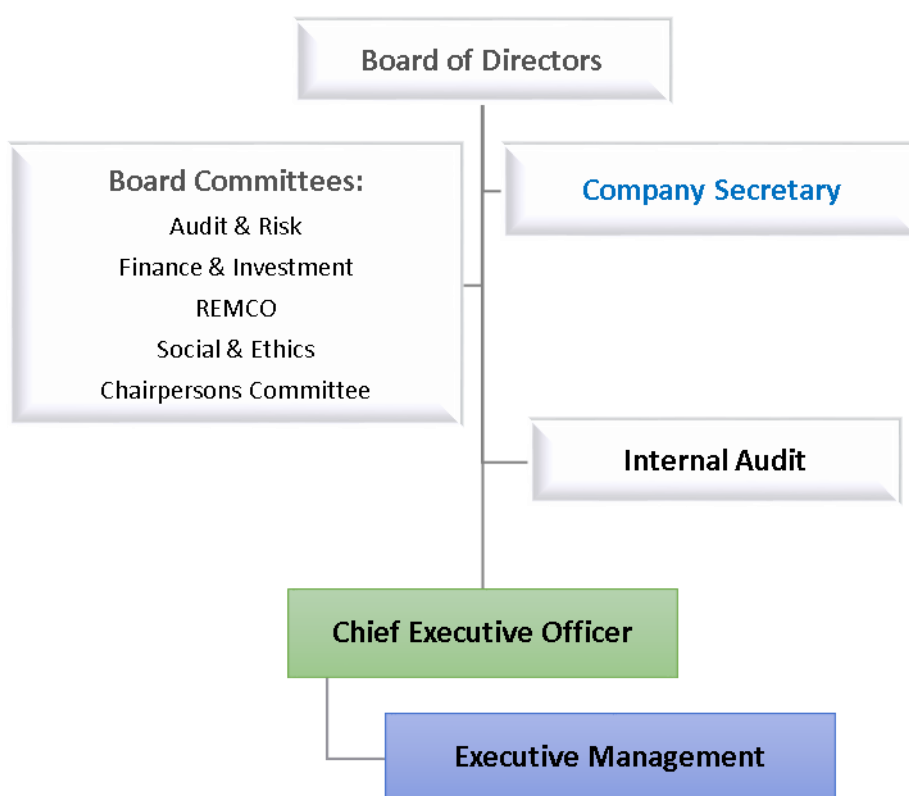
# Part B

## Corporate Governance

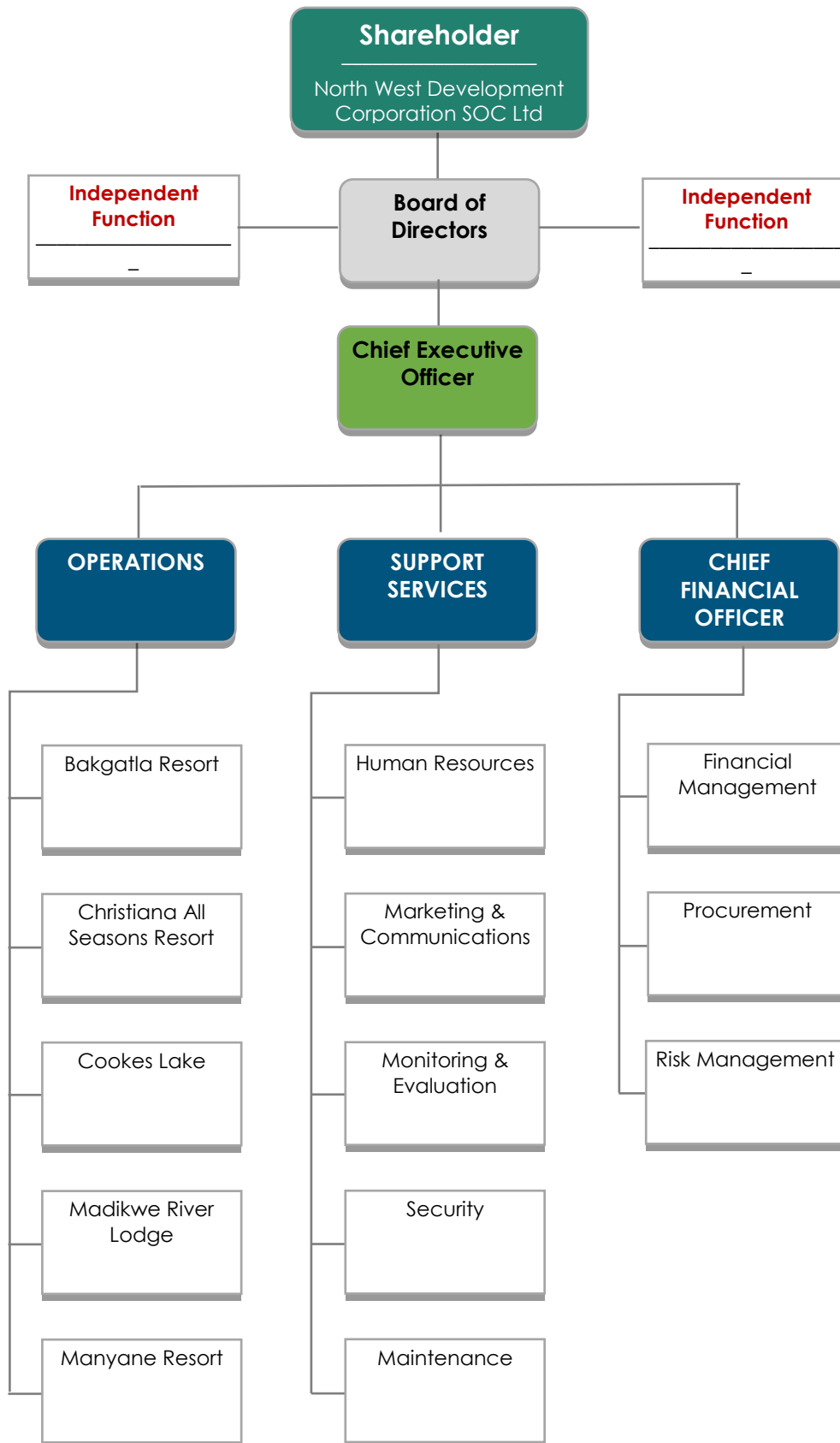
*The Board of Directors is the primary direct stakeholder influencing corporate governance. Directors are elected by shareholders or appointed by other board members, and they represent shareholders of the company. The Board is tasked with making important decisions, such as corporate officer appointments, executive compensation, and dividend policy. In some instances, Board obligations stretch beyond financial optimisation, as when shareholder resolutions call for certain social or environmental concerns to be prioritised. The Board of Directors are made up of independent members. Insiders are major Shareholders and Executives. The Board of Directors must ensure that the company's corporate governance policies incorporate the corporate strategy, risk management, accountability, transparency, and ethical business practices.*

### 2) ORGANISATIONAL STRUCTURES WITHIN THE GLR GROUP

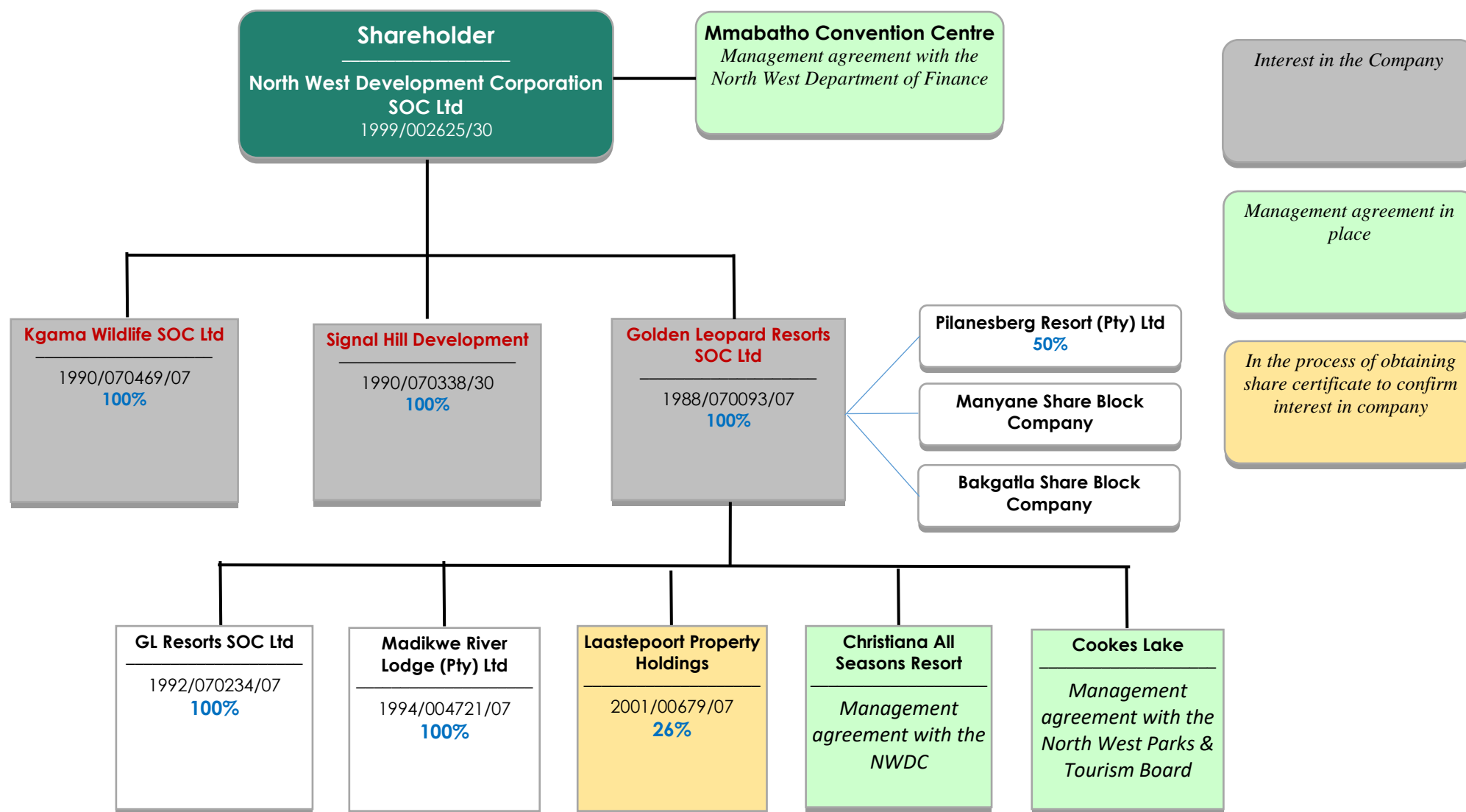
#### 2.1 The structure and composition of the Board of Directors and the Committees:



## 2.2 The administrative structure of the GLR Group



## 2.3 The structure of the GLR Subsidiaries



## 2.4 Members of the Board (Executive and Non-Executive)

Name	Role	Date Appointed
Mr SF Kgodumo	Chairperson	9 December 2019
Prof Dr LTB Jackson	Non- Executive Director	1 July 2016
Mr T Phiri	Non- Executive Director	9 December 2019
Ms J Nyathi	Non- Executive Director	18 March 2020

## 2.5 Members of the Board: Academic Qualifications and Areas of Expertise

Name of Director	Academic Qualifications	Areas of Expertise
<b>Mr SF Kgodumo (Chairperson)</b>	<ul style="list-style-type: none"> <li>Post Graduate Diploma in Public Management</li> <li>BA in Development and Management</li> <li>Emerging Management in Municipal Governance Certificate</li> <li>Certificate in Youth Management</li> <li>Matric</li> </ul>	<ul style="list-style-type: none"> <li>Youth Development Practitioner</li> <li>Local Government Practitioner</li> <li>Accredited Facilitator Consultancy and Training</li> <li>Project Management</li> <li>Strategic Management and Development</li> </ul>
<b>Prof Dr LTB Jackson</b>	<ul style="list-style-type: none"> <li>PhD</li> <li>MA</li> <li>MBA</li> <li>Hons BA</li> <li>Matric</li> </ul>	<ul style="list-style-type: none"> <li>Industrial Psychology</li> <li>Strategic Management</li> <li>Education (Mathematics and Science)</li> </ul>
<b>Mr T Phiri</b>	<ul style="list-style-type: none"> <li>PC Repair Diploma</li> <li>A+ PC Technician Diploma</li> <li>Microsoft Office User Specialist</li> <li>Software Development Diploma</li> <li>Matric</li> </ul>	<ul style="list-style-type: none"> <li>Information Technology</li> <li>IT Design Infrastructure</li> </ul>
<b>Ms J Nyathi</b>	<ul style="list-style-type: none"> <li>PMD 2016</li> <li>Current Studies: LLB Unisa</li> <li>Matric</li> </ul>	<ul style="list-style-type: none"> <li>Public Management</li> <li>Policy and Finance Management</li> </ul>

## 2.6 Information of the Senior Executives of the GLR Group

Name of Executive	Academic Qualifications	Areas of Expertise
<b>SM Tshehla</b>	<ul style="list-style-type: none"> <li>Sales &amp; Marketing Management Diploma</li> <li>Secretarial Practice Diploma</li> <li>Customer Service Certificate</li> <li>Leadership Development Certificate</li> </ul>	<ul style="list-style-type: none"> <li>Hospitality (front office, reservations and banqueting)</li> <li>Resort management</li> <li>Leadership and staff mentoring</li> <li>Conflict and problem solving</li> </ul>
<b>A Dacey</b>	Marketing and Sales Management	<ul style="list-style-type: none"> <li>Food production, costing stock controls</li> <li>Menu development</li> <li>Hotel management</li> <li>Planning, events coordination</li> <li>Interior décor</li> </ul>



Name of Executive	Academic Qualifications	Areas of Expertise
		<ul style="list-style-type: none"> <li>Staff mentoring</li> </ul>
<b>J Saville</b>	<ul style="list-style-type: none"> <li>Marketing and Advertising</li> <li>Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Hospitality (front office, reservations and banqueting)</li> <li>Resort management</li> <li>Leadership and staff mentoring</li> <li>Conflict and problem solving</li> </ul>
<b>D Mngadi</b>	<ul style="list-style-type: none"> <li>Selling Skills for Reservationist</li> <li>First Aid</li> <li>Hospitality Reception</li> <li>Credit on Travel and Tourism (not yet completed)</li> <li>Lodge management certificate</li> <li>Field guiding (in progress)</li> </ul>	<ul style="list-style-type: none"> <li>Reservation management</li> <li>Reception management</li> <li>Audit management</li> </ul>
<b>S Kurwara</b>	<ul style="list-style-type: none"> <li>Bachelor of Accountancy Honours</li> <li>Bookkeeping and Accounts</li> <li>Management of Training</li> <li>Human Resource Planning</li> <li>Recruitment and Selection</li> <li>Personnel, Training Labour and Business</li> <li>Evolution Administration</li> <li>Evolution Payroll Basic, Advanced, Tax and Payroll Solving</li> </ul>	<ul style="list-style-type: none"> <li>Preparation of Annual Financial Statements</li> <li>Monthly and Quarterly reports preparation</li> <li>Cash flow forecasts</li> <li>Preparation and monitoring of the budget</li> <li>Policy development</li> <li>Asset management</li> <li>Internal controls (systems)</li> <li>Aligning corporate plan to budget</li> </ul>
<b>EM Mosito</b>	<ul style="list-style-type: none"> <li>Diploma Payroll Administration</li> <li>Higher Certificate in Business Administration and Management</li> <li>Diploma in Human Resources Management</li> <li>BBA registered not completed</li> </ul>	<ul style="list-style-type: none"> <li>Payroll Administration</li> <li>Development of Policies</li> <li>Recruitment and Placements</li> <li>Employee Relations and Management</li> <li>Labour Law</li> <li>CCMA disputes</li> <li>Disciplinary Enquiries</li> <li>Grievances</li> </ul>
<b>MB Phalatse</b>	<ul style="list-style-type: none"> <li>Diploma in Business Administration and Management</li> <li>Certificate in Total Quality Management</li> <li>Certificate in Basic Bookkeeping</li> <li>Certificate in Leadership and Development Programme</li> <li>Diploma in Sales and Marketing Manager</li> </ul>	<ul style="list-style-type: none"> <li>Resort operations</li> <li>Sales and Marketing Management</li> <li>Developing Departmental Policies and Procedures</li> <li>Developing a Marketing Plan</li> <li>Customer Relations</li> <li>Managing, leading and developing staff</li> </ul>
<b>Tumelo Kumbe</b>	<ul style="list-style-type: none"> <li>Bachelor of Commerce</li> <li>SAICA Articles</li> </ul>	<ul style="list-style-type: none"> <li>Auditing and Accounting</li> <li>Financial management</li> <li>Operations</li> </ul>
<b>Cynthia Tshambo</b>	<ul style="list-style-type: none"> <li>Certificate in Financial Management IQ Academy</li> <li>Certificate in Small Accommodation Establishment with SA College For Tourism (Housekeeping, Reception,</li> </ul>	<ul style="list-style-type: none"> <li>Front Office (Reception, Reservations, Switchboard)</li> <li>Finance (Creditors, Debtors &amp; Financial Admin)</li> </ul>

Name of Executive	Academic Qualifications	Areas of Expertise
	Food & Beverage and Culinary Arts)	<ul style="list-style-type: none"> <li>Housekeeping (Room Attendant, Laundry and Bartending) Kitchen (Basic Culinary)</li> <li>Managerial Duties</li> </ul>
<b>Susan Motlhasedi</b>	<ul style="list-style-type: none"> <li>Certificate in Public Relations</li> <li>Diploma in Office Management/Administration</li> <li>Advanced Hotel front office procedures</li> </ul>	<ul style="list-style-type: none"> <li>Manage the company's centralised procurement processes</li> <li>Develop and update procurement policies</li> <li>Device and employ fruitful sourcing strategies most</li> <li>Discover most profitable suppliers and initiate business partnerships.</li> <li>Examine and re-evaluate existing contracts</li> <li>Collaborate with key persons to ensure the clarity of specifications and expectations of the company</li> <li>Perform risk management regarding supplier contracts and agreements</li> <li>Contract Management</li> </ul>
<b>Frank van Rooi</b>	<ul style="list-style-type: none"> <li>Diploma in Business Organisation &amp; Management</li> <li>National Technical Certificate (Electrical Trade Theory)</li> <li>Certificate –Public Finance and Supply Chain Management</li> <li>Certificate –Best Practice Property Management and Development</li> <li>Certificate of Attendance – Financial Life Skills</li> <li>Certificate of Attendance -Effective Workplace Discipline</li> <li>Certificate of Attendance-Construction Regulations</li> <li>Certificate of Attendance-Occupational Safety, Health and Environmental Rep</li> </ul>	<ul style="list-style-type: none"> <li>Electrical and Management</li> </ul>
<b>Edward Mulaudzi</b>	<ul style="list-style-type: none"> <li>Security Grade A Management</li> <li>Diploma in Security Supervision</li> <li>Security Management Certificate</li> <li>National Key Point Certificate</li> <li>Risk Management Certificate</li> <li>Health and Safety Certificate</li> </ul>	<ul style="list-style-type: none"> <li>Security Management and Operations</li> </ul>
<b>Thapelo Tshambo</b>	<ul style="list-style-type: none"> <li>NQF2 FAGASA</li> <li>GRADE D,C,E</li> <li>Service Excellence Certificate</li> <li>NOSA Certificate</li> </ul>	<ul style="list-style-type: none"> <li>Security</li> <li>Surveillance Operator</li> <li>Barman</li> <li>Risk</li> </ul>

Name of Executive	Academic Qualifications	Areas of Expertise
	<ul style="list-style-type: none"> <li>Snake Handling Certificate</li> <li>Health and Safety Certificate</li> </ul>	

# Part C

## *Policy Mandates and Economic Environment*

*To be able to place the performance of the North West Province into perspective, it is necessary to consider the macro and micro economy from both a global and a South African perspective. The external environmental scan is used to elucidate opportunities and threats related specifically to the GLR's purpose. Trends highlighted are considered not only in terms of the trend itself, but how changes in the PESTLE landscape present opportunities and threats, matching these to strengths and weaknesses within the organisation.*

### **3) POLICY MANDATES**

- The National Development Plan (NDP) is the 2030 vision for the country. It envisions rising employment, productivity and incomes as a way to ensure a long-term solution to achieve a reduction in inequality, an improvement in living standards and ensuring a dignified existence for all South Africans. The NDP recognises tourism as one of the main drivers of employment and economic growth.
- The New Growth Path (NGP) includes tourism as one of the six pillars of economic growth.
- The National Tourism Sector Strategy (NTSS) provides a blueprint for the tourism sector in the pursuit of growth targets contained in the New Growth Path (NGP).
- The White Paper on the Development and Promotion of Tourism in South Africa, 1996, provides a framework and guidelines for tourism development and promotion in South Africa.
- GLR identified the following key and cross-cutting sectors, based on the renewed focus in the NWP

#### **Key economic sectors include:**

- Culture
- Tourism
- ICT

#### **Provincial Priorities:**

Within the North West Province, there are additional priorities that guide the GLR's focus. The importance and guidelines for continued contribution of the GLR were recognised within the State of the Province address.

### **4) PESTLE AND SWOT ANALYSIS**

Economic development must consider trends in the external environment and respond to the threats and opportunities that emerge from these trends. The following PESTLE analysis presents a high-level overview of the emerging trends identified through consultation within the organisation. The importance of the PESTLE analysis must be carried through to the individual programmes, given that specific trends are likely to have a greater or lesser impact on the individual programmes and projects implemented.

## 4.1 Environmental Scan

The sections below present the PESTLE analysis by theme. In the context of rapid change, these items are listed as a brief snapshot but will require ongoing discussion and monitoring to ensure the strategic objectives and programmes reflect the shifting context in which the GLR operates.

Further defining the need for constant reflection is the VUCA world, characterised by volatility, uncertainty, complexity and ambiguity. In responding to this we need to constantly reflect on our vision, understanding, clarity and agility.

**Table 2: Examples of translation from Political trends to threats and opportunities**

<b>POLITICAL CONTEXT: Political Factors</b>		
<ul style="list-style-type: none"> <li>Shifting political landscape including North West being under administration with political interference (positive and negative) experienced over the years.</li> <li>An absence of constructive interdepartmental relations</li> <li>Instability in the political structure</li> </ul>		
<b>Trend</b>	<b>Threat</b>	<b>Opportunity</b>
Instability in the political landscape, particularly over the last two years.	Changing political priorities can impact on the achievement of strategic objectives and can impact negatively on investor confidence.	Increased political discussion could be useful in articulating and restoring the GLR to its core mandate.
Political interference has been commonplace in the South African public sector	Political interference has adverse impacts on decision-making and the profitability of the GLR Group.	Alignment between political and organisational priorities could present increased support and commitment.

**Table 3: Examples of translation from Economic trends to threats and opportunities**

<b>ECONOMIC CONTEXT: Economic Factors</b>		
<ul style="list-style-type: none"> <li>Rise in agricultural risk factors and the need for the sector to become more productive to ensure food security</li> <li>Poverty levels need to be reduced</li> <li>Income distribution needs to be more equal</li> <li>Economic diversification into high tech manufacturing and services</li> <li>The NWP has a share of approximately 6.3% of national employment rate</li> <li>Instable GDP growth or possible recession - knock-on effect on employment rise or fall</li> </ul>		
<b>Trend</b>	<b>Threat</b>	<b>Opportunity</b>
Decreased energy security and stability (load-shedding)	Business disruption with declining revenue and occupancy	Renewable energy and off-grid solutions present a new market with multiple links in the value chain.

**Table 4: Examples of translation from Social trends to threats and opportunities**

<b>SOCIAL CONTEXT: Social Factors</b>		
<ul style="list-style-type: none"> <li>Disproportionate employment between age groups (aging working population supporting an unemployed youth group)</li> <li>New entrepreneurs are millennial and we would have to find new ways to reach them</li> <li>Increasing unemployment of skilled labour</li> <li>Move to online commerce is rapidly increasing</li> <li>Importance of constant communication and being connected to the internet, social media etc.</li> </ul>		
<b>Trend</b>	<b>Threat</b>	<b>Opportunity</b>
Increasingly young population that is unemployed whilst skilled workers approaching retirement (or moving)	The brain drain is causing a loss of skills in some key sectors. Increased pressure on the financial viability of some businesses.	Opportunity to drive entrepreneurship as well as mentoring programmes to transfer the skills and knowledge to new entrants to the market and young workers.
High unemployment of skilled labour-force from tourism sector	Social unrest and other negative impacts on the province but also in areas in which GLR operates.	Slowdown in the economy causing travellers to abandon booked accommodation.
Lifestyle	Ethical issues such as irresponsible hosts or travellers causing bad publicity and jeopardising the image of the business.	Increased or decreased amount of travel
Internet requirements in hospitality.	Not having fast internet (or any) internet connection facilities turns away customers.	Access to IT systems allowing more efficient data collection and extensive market research to website.

**Table 5: Examples of translation from Technological trends to threats and opportunities**

<b>TECHNOLOGICAL CONTEXT: Technological Factors</b>		
<ul style="list-style-type: none"> <li>Disruptive technologies such as artificial intelligence and machine learning are disrupting all levels of the job market</li> <li>The internet of things and other technologies are presenting new value streams and revolutionising old ones.</li> <li>Technology and analytics are being used to transform and improve operations</li> </ul>		
<b>Trend</b>	<b>Threat</b>	<b>Opportunity</b>
Artificial intelligence is able to take over a range of functions within a job	Where jobs are routine AI could lead to total replacement of human workers	There may be a rise in profits, particularly for some of our tenants, securing our rental business.  There is a need for skills development in new job arenas.
Cyber crime	Huge impacts on businesses and individuals through fraud, identity theft and other online crimes.	New job markets in cyber security and ICT.
The global marketplace through online commerce	Competition and overpowering by monopoly capital.	Our SMMEs and other producers can market internationally.

**Table 6: Examples of translation from Legal trends to threats and opportunities**

<b>LEGAL CONTEXT: Legal Factors</b>		
<ul style="list-style-type: none"> <li>Increasing non-compliance and lawlessness within the province over the last few years</li> <li>Political expedience overshadowing governance</li> <li>Inadequate internal legal skills</li> <li>Revision of key laws and policies within the province</li> <li>Challenge of balancing Schedule 3C PFMA/legal requirements and business/profit imperative of the GLR</li> </ul>		
<b>Trend</b>	<b>Threat</b>	<b>Opportunity</b>
Non-compliance	Potential for irregular expenditure, adverse audit opinions and impact on GLR as a going concern.	Refined mandate and streamlining of procurement practices to increase competitiveness.
Strengthening of labour laws	Unaffordable salary bills and strain on company budget.	Stability in the labour markets and increased voice for employees.
Legislative review in the province	Extensive and added bureaucratic controls may impact negatively on efficiency.	Revised and energised strategic direction and return to the core business of GLR.

**Table 7: Examples of translation from Environmental trends to threats and opportunities**

<b>ENVIRONMENTAL CONTEXT: Environmental Factors</b>		
<ul style="list-style-type: none"> <li>Climate changes leading to water scarcity and other impacts</li> <li>Degradation of the existing resource base, including ground water</li> <li>Environmental laws impacts on investments</li> <li>Environmental decline and pollution due to mining and other industrial activities</li> <li>Rise in popularity of eco-tourism and cultural-tourism</li> </ul>		
<b>Trend</b>	<b>Threat</b>	<b>Opportunity</b>
Increasing water scarcity	Water is fundamental to business (and human rights). Water shortages threaten business survival.	Large-scale investment in water recycling, purification and general infrastructure.
Legislative review in the province	Extensive and added bureaucratic controls may impact negatively on efficiency.	Revised and energised strategic direction and return to the core business of GLR.

#### 4.2 An analysis of the strategic objectives of the GLR indicated the following Strengths, Weaknesses, Opportunities and Threats:

<b>SWOT ANALYSIS</b>	
<b>Internal Strengths</b>	<b>Internal Weaknesses (including risks)</b>
<ul style="list-style-type: none"> <li>Fair pricing</li> <li>Variety of products and services</li> <li>Unique location</li> <li>Institutional knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Financial challenges including: <ul style="list-style-type: none"> <li>Poor collection methods and/or controls</li> <li>Liquidity of the GLR with inadequate cash-management controls</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>• Tourism grading standards</li> <li>• Growing brand recognition</li> <li>• Exceptional wildlife knowledge</li> <li>• A wide provincial footprint</li> </ul>	<ul style="list-style-type: none"> <li>◦ <i>Irregular spending and non-compliance with legal provisions</i></li> <li>◦ <i>Disclaimer (lack of internal financial controls)</i></li> <li>• Lack of advocacy</li> <li>• Lack of internal communication and business integration</li> <li>• Inability to access funding</li> <li>• Poor interpretation and implementation</li> <li>• Instability of GLR due to changes in key leadership positions (i.e. Board of Directors, CEO and CFO)</li> <li>• Inadequate directional signage</li> <li>• Lack of amalgamation of IT infrastructure</li> <li>• Dilapidated hardware equipment</li> <li>• Misaligned organisational structure</li> <li>• Inability to extend market reach</li> <li>• Dilapidated infrastructure</li> <li>• Limited cash flow</li> <li>• Poor or lack of implementation of Standard Operating Procedures (Policies and Procedures)</li> <li>• Lack of implementation of strategy</li> <li>• Increasingly poor reputational image and loss of confidence</li> <li>• Lost business by not providing basic amenities such as WiFi at our resorts and facilities.</li> </ul>
External Opportunities	External Threats (including risks)
<ul style="list-style-type: none"> <li>• Opportunities from the Presidential Stimulus package</li> <li>• Opportunities from the Jobs Summit</li> <li>• Infrastructure Development of the SOC's</li> <li>• Malaria free area</li> <li>• Location</li> <li>• Big five attraction</li> <li>• Develop niche markets</li> <li>• Growing eco-tourism awareness</li> <li>• Diversifying product offerings</li> <li>• Affiliation to state-owned entities</li> <li>• Leveraging on new technologies to improve operations</li> <li>• Alignment between political and organisational priorities could present increased support and commitment</li> <li>• Increasing instability in the energy system is driving the need for renewable and decentralised technology.</li> <li>• Amendments in labour laws allowing for greater stability and voice of worker</li> <li>• Water-scarcity should drive technological and infrastructural investments in the water sector (as a political imperative to fulfil basic human rights)</li> </ul>	<ul style="list-style-type: none"> <li>• Community instability</li> <li>• Park entry fee and conservation levy</li> <li>• Water shortages</li> <li>• Load shedding</li> <li>• Exposure to risk of fraud and corruption</li> <li>• Competition from neighbouring resorts and lodges</li> <li>• Crime</li> <li>• Highly infectious diseases</li> <li>• Ever changing directives and government policies</li> <li>• Poor Public sector business reputation</li> <li>• Going concern</li> <li>• Unaffordable salary bills</li> <li>• Water-scarcity and poor quality threatens financial development and expansion of services within the province.</li> <li>• Increasing illiteracy threatens the capabilities and potential market for our services.</li> </ul>



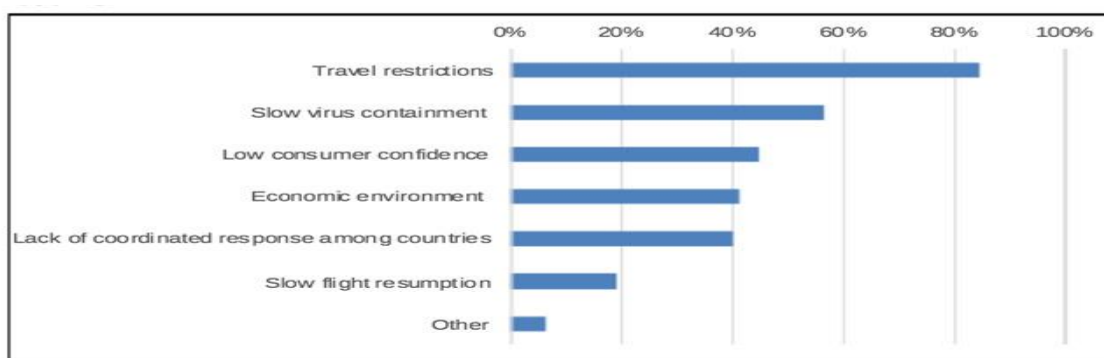
## 4.3 Economic Overview

### 4.3.1 Global Tourism

- a) Tourism is still one of the world's fastest growing sectors with bookings in 2017 reaching almost \$1.6 trillion.
- b) According to the TRAVEL & TOURISM ECONOMIC IMPACT 2018 WORLD: by the World Travel and Tourism Council, the Travel and Tourism GDP as a percentage of Global GDP was 10.4% in 2017, with direct Travel and Tourism Growth placed at 4.6%. One out of ten jobs are supported by travel and tourism representing 9.9% of global employment and one out of five of all global net jobs created in the last decade have been within the travel and tourism sector. (Source: Deloitte, 2018)
- c) The United Nations World Tourism Organisation (UNWTO) indicated in November 2020 that the world travel outlook anticipates that recovery will start in 2021.
- d) Most industry experts project that recovery will begin in the second half of 2021, with the global travel industry regaining their 2019 booking volumes by 2023.
- e) The latest impact figures from the United Nations World Tourism Organisation (UNWTO) show that international tourist arrivals declined 70% in the first eight months of 2020 compared to the same period the previous year, amid continuing travel restrictions that have closed borders around the world during the pandemic.
- f) The UNWTO reports that international arrivals fell by 81% in July and 79% in August, at the peak of the summer travel season in the Northern Hemisphere. That those numbers were not worse still – year-over-year declines earlier in the year reached 90% – is only because some borders had reopened over summer, notably in Europe. “The recovery was short-lived, however, as travel restrictions and advisories were reintroduced amid an increase in contagions,” adds UNWTO. “On the other side of the spectrum, Asia and the Pacific recorded the largest declines with -96% in both months, reflecting the closure of borders in China and other major destinations in the region.”
- g) All told, this amounts to 700 million fewer international arrivals year-to-date for 2020, and a loss of roughly US\$730 billion in tourism revenues. UNWTO points out that this is more than eight times the industry losses recorded in 2009 at the height of the global economic crisis. Analysts now expect that the overall decline in arrivals for 2020 will be close to 70%.
- h) “This unprecedented decline is having dramatic social and economic consequences, and puts millions of jobs and businesses at risk,” warned UNWTO Secretary-General Zurab Pololikashvili. “This underlines the urgent need to safely restart tourism, in a timely and coordinated manner”.
- i) Interestingly, there have been signs of tourism demand shifting to domestic travel in at least some major world markets over the last couple of months. In China, for example, the Ministry of Culture and Tourism reports 637 million domestic trips (representing about 80% of 2019 volumes) during the eight-day Golden Week holiday which began

on 1 October. In Russia, domestic air bookings fully recovered to levels of 2019 and actually grew by 9% in August.

- j) The big question remains - with a more complete picture of the true extent of Covid-19's impact on global travel, when could the industry expect to start to recover?
- k) Based on projections by its Panel of Tourism Experts, UNWTO anticipates that the recovery in global tourism will begin in the third quarter of 2021. At least, that is the point at which a majority of the panel expects recovery to be underway. Roughly one in five panelists (20%) believe the recovery won't start before 2022.
- l) UNWTO adds that, "Most experts do not see a return to pre-pandemic 2019 levels happening before 2023. By regions, the largest share of experts pointing to a return to 2019 levels in 2023 or later are in Europe (74%) the Americas (71%) and Asia and the Pacific (66%). In Africa and the Middle East this share is 60% and 50% respectively."
- m) The main barrier to an earlier or more rapid recovery is the large-scale travel restrictions that remain in place in many destinations around the world. Alongside that, experts cite slow virus containment and declining consumer confidence as major factors that are hindering the recovery outlook.



*The main factors weighing on the recovery of international tourism. Source: UNWTO*

#### 4.3.2 Travel trends 2018 (Source: BizTrends2021: Finding purpose and wellbeing through travel; Mariette du Toit-Helmbold; 6 January 2021)

- a) The views that follow have been postulated by Mariette du Toit-Helmbold. She is an international destination marketing and tourism thought leader, as well as a writer and public speaker on the topics of tourism, responsible tourism, destination marketing, brand innovation and digital strategy. She is with *Destinate*, an international specialised destination and tourism marketing agency, and former CEO of Cape Town Tourism. Mariette wrote:
- b) 2020 has been the year nobody could predict. The year our lives ground to a simultaneous halt. The year we were forced to face ourselves.
- c) Despite the large-scale havoc that the coronavirus has left in its wake and continues to wreak as second waves of infection rise up around the globe, it has given humanity a rare opportunity for communal reflection.

- d) As we found ourselves hunkering down at home for much of the past year with no real clear view of how this will play out, we've been forced to reassess our lives – the things and people we value, where we spend our money, why we do what we do, and, perhaps most poignant of all, how this could be forever changed.
- e) For those of us who work in travel and tourism and who value gaining new experiences in far-flung corners of the world, this has been a particularly painful time of reflection. Because, the truth is, it will never be the same.

***So what will travel look like in 2021 and going forward? Nobody really knows.***

- f) A year ago, I was writing a very different travel forecast with continued growth for the global tourism industry anticipated. Fast forward a year, and we are facing a growing health crisis and a return to Level 3 restrictions with fears of even tighter controls if the infection rate does not improve soon.

***Preparing for a post-Covid-19 era in the tourism industry***

- g) Our world has been turned upside down by the Covid-19 coronavirus outbreak. It calls for innovation and smart solutions as we brace ourselves for the economic and social impact.
- h) Reports indicate that there is a growing desire to travel after months of hard lockdown, with remote destinations and private safaris in high demand. For the majority of international travellers from our key source markets, escaping winter and hard lockdown is, however, not an option, leaving South Africa's tourism sector vulnerable to further business closures and job losses. Domestic tourism was also dealt a heavy blow with the recent Level 3 restrictions and closure of beaches that put a serious damper on people's Christmas holiday plans.
- i) Nobody knows how the virus and new strains will behave over the coming months and it will take some time before vaccines will have a real impact.

***Vaccines may soon make travel possible again. But how quickly will it return - and will it be forever changed?***

- j) But if there's one thing that is for sure, it is that the yearning for 'elsewhere', for 'discovery', for being forever changed by an encounter with people and places is so deeply ingrained in the human psyche that travel will never die. (Source: Skyscanner; November 2020; 'The New World of Travel' report)
- k) Travel is a celebration of difference. It fosters a greater understanding of the world and its diversity. Countless academics have commented on the way travel expands minds and shapes a more curious, tolerant outlook.
- l) With recent global political developments and social movements, it is safe to say that we all need a more tolerant outlook and a greater understanding of what makes each of us so uniquely different. I can't imagine anything more dreadful than having to live in a world where we all think, look and act the same.

- m) I am who I am because I have seen and experienced a world beyond my own.
- n) If I had to highlight a few travel trends for the coming year and beyond, these would stand out:

#### ***Purpose-driven travel***

- o) Whether purchasing a product or picking a next travel destination, the question more and more consumers tend to ask is 'how will this add meaning to my life?', but also 'how will buying this product/choosing this destination add value/meaning to the lives of those who made it/live there?'
- p) While we've seen this trend develop over the past few years, it's really coming into its own now as wise-beyond-their-years, earth-conscious and socially woke Gen Z-ers come of age.
- q) Furthermore, rapid implementation of travel restrictions and border closures in response to the coronavirus pandemic has shown older generations of travellers that the world may no longer be their oyster. We are painfully aware of our impact on the world and how connected and dependent we all are on each other. And, when planning our next break – whether local or abroad – it best be 'the trip of a lifetime'... just in case.
- r) It is for this reason that we will see a lot more thought going into the planning of holidays and trips, a greater consciousness and purpose-driven approach to travel.

#### ***Domestic travel***

- s) Covid-19 has had a devastating impact on most pockets and a general uncertainty over the health and safety of air travel and possibly falling ill while abroad are making people wary of embarking on international travel.
- t) Although South Africa's borders are open once again, domestic travel is not the silver bullet many had hoped it would be. The second wave of infections and subsequent restrictions have made local travellers hesitant to head out with many of them cancelling their much anticipated Christmas holidays and beach breaks.
- u) The fact remains that the South African tourism industry cannot survive off domestic travel alone, but it is most likely that those in the higher LSMs will use the opportunity to spend more on luxury local travel, which would normally be the stomping ground of international travellers.
- v) The good old-fashioned road trip and more mini-breaks closer to home over weekends will gain popularity, which will result in a much-needed boost in local tourism for rural areas and small towns.

#### ***A rise in spontaneous, last-minute trips***

- w) One of the somewhat more surprising effects the coronavirus pandemic has had on some travellers is a tendency towards impulsivity.

- x) Where booking and planning holidays well in advance is standard practice for most travellers, a general feeling of not really knowing what nasty surprises a month from now could hold – let alone a year – has led to a much more compressed booking and planning period.
- y) In its 'New World of Travel' Report, Skyscanner noted that following hard lockdown in most European countries as well as the US, there was a marked rise in searches to book travel departing within a week or a month.
- z) This, in turn, is forcing the industry to adapt to become more flexible and customer-centric, adjusting booking and cancellation's terms and conditions.
- aa) We can expect to see the same trend – especially among younger travellers – in South Africa over the coming months.
- bb) Self-catering facilities for extended family affairs will be popular.

### ***Intergenerational travel remains a popular trend.***

- cc) Even more so in the wake of the coronavirus pandemic where we haven't been able to spend time with one another. Many travellers are going to choose to kill two birds with one stone by inviting grandparents, siblings and close friends to join them on intimate vacations creating safe travel bubbles.
- dd) It would be prudent for the hospitality industry to factor this into their planning, ensuring that they are truly family-friendly and can offer families the kind of experiences they all crave after one of the most difficult years in recent memory.

### ***Steering clear of crowds***

- ee) As the second wave of coronavirus infections threatens to destroy what is left of our fragile healthcare and tourism sector, crowd control remains firmly in place at major attractions.
- ff) Apart from this, people will also tend to steer clear of indoor spaces that could quickly become crowded and instead opt for outdoor areas where social distancing can easily be maintained.
- gg) Rural regions and small towns should respond with well-curated and enticing travel packages that speak to the needs of travellers, eager to explore and get away, but not willing to risk their safety. With beaches, rivers and dams closed, destinations must work hard on promoting the less-obvious, but equally beautiful and enjoyable attractions and activities on offer. It is time to get creative and develop new experiences for travel-hungry locals.

### ***Taking the office on the road***

- hh) Where working remotely was once something only digital nomads could do, 2020 has levelled the playing field.

- ii) As more people find themselves working from home, those who were formerly office-bound may find themselves opting for more mid-week breaks, laptops in tow.

### ***Wellness is the new wealth***

- jj) Finally, the pandemic and subsequent lockdown have taken its toll on our mental health. Human beings are not designed for isolation and withstanding the kind of stress we have all had to endure for months on end.
- kk) The global wellness movement has grown exponentially over the last few years. This, in turn, has stimulated demand for a more mindful, conscious and slower way of travelling. Wellness tourism was a \$639bn market in 2017, projected to reach \$919bn by 2022. Before Covid-19, wellness tourism was growing by 6,5% annually, twice as fast as leisure tourism based on Euromonitor data.
- ll) As travelling resumes, health and wellbeing-focused trips and retreats are poised to be in high demand. These include new and unusual wellness trips like wellness mumcations (reconnecting with self without kids and partners), painmoons (trips to get over loss or heartache), fertility trips and divorce retreats.
- mm) My prediction is that this segment of tourism will continue to outperform other segments as we learn to live with a pandemic, more conscious of our impact on the world and each other, and people embark on soul-searching retreats, slow journeys and life-enriching encounters in nature.
- nn) Remote destinations and places with a lower Covid-19 risk will be popular, whether it's for a healthy break to de-stress or an active holiday to boost physical wellbeing in the scenic beauty of South Africa's countryside.
- oo) Health and Fitness Travel says that immune-boosting retreats are offered in many locations for a secluded, social distancing-friendly getaway to focus on personal well-being. Weight loss programmes, fitness classes, specialised treatments and sunnier climates are all married together to aid your body's natural defences.
- pp) It goes on to explain that self-care, a necessity during lockdown, is now becoming a driving factor in holiday planning. The threat of serious illness was a powerful motivator for many to focus on their own health and fitness. Many had to learn the art of self-care during lockdown, whether that's healthy eating or regular exercise, and now they have a desire to turn that wellness project into a lifestyle, which includes the way we travel.

#### **4.3.2 Key findings: Tourism and Migration, October 2020**

In October 2020, 401 212 travellers (arrivals, departures, and transits) passed through South Africa's ports of entry/exit. They were made up of 157 271 South African residents and 243 941 foreign travellers. Foreign arrivals, 124 165 were made up of 37 387 non-visitors and 86 778 visitors. The visitors consisted of 12 790 same-day visitors and 73 988 overnight visitors (tourists). The breakdown of the tourists by region is as follows: 8 325 from overseas; 63 813 from the SADC countries; 1 672 from 'other' African countries while

the country of residence of 178 tourists was classified as unspecified. (Source: STATSSA; Tourism and Migration, October 2020; Released 15 December 2020.)

#### 4.3.3 North West Tourism

The North West Province contributed 4,6% to Total Tourist Spend (Current prices) of South Africa in 2019 compared to 5.6% 2017 of which 58,6% was in the Bojanala District in 2019 compared to 64% in 2017. 78,2% of the North West Tourism spend came from just six local municipalities in the North West province as indicated below.

**Table 8: Tourism Spend as a % of North West Tourism Spend (Source: IHS Markit; Regional eXplorer 1923 (2.6i) October 2020)**

	Total Tourist Spending (R 1000, Current prices) 2019	% of NW Tourism Spend	Ranking of District and Local Municipalities
SA	273 158 377	NW contributes 4,6 % of SA	
NWP	12 524 130	100,0%	
BPDM	7 343 069	58,6%	1
NMNDM	2 072 154	16,5%	3
DRSMDM	859 884	6,9%	4
DKKDM	2 249 023	18,0%	2
Madibeng (Brits Hartebeespoort)	2 779 642	22,2%	1
Rustenburg	1 693 140	13,5%	3
Moses Kotane	2 210 668	17,7%	2
Mahikeng	984 809	7,9%	6
City of Matlosana	1 088 733	8,7%	4
JB Marks	1 042 395	8,3%	5
Total Spend of the six Local municipalities	9 799 387	78,2%	

Please note that South Africa (SA) represents the national figures and the North West province (NWP) District Municipalities are indicated as:

- BPDM- Bojanala Platinum District Municipality;
- NMMDM – Ngaka Modiri Molema District Municipality;
- DRSMDM – Dr Ruth Segomotsi Mompati District Municipality; and
- DKKDM – Dr Kenneth Kaunda District Municipality

Local Municipalities:

- JB Marks Local Municipality includes Potchefstroom and Ventersdorp,

**Table 9: Total Tourist Spend as % of GDP (current prices) (Source: IHS Markit; Regional eXplorer 1923 (2.6i) October 2020)**

Total Tourist spend as % of GDP (Current prices) 2019	
SA	5,4%
NWP	4,1%
BPDM	4,6%
NMNDM	3,5%



DRSMDM	3,7%
DKKDM	3,6%
Moretele	4,6%
Madibeng	4,5%
Rustenburg	2,6%
Kgetlengrivier	2,9%
Moses Kotane	14,9%
Ratlou	3,0%
Tswaing	3,4%
Mahikeng	3,8%
Ditsobotla	3,3%
Ramotshere Moiloa	3,3%
Naledi	5,3%
Mamusa	3,1%
Greater Taung	2,9%
Lekwa-Teemane	4,4%
Kagisano/Molopo	2,4%
City of Matlosana	3,1%
Maquassi Hills	3,1%
JB Marks	4,3%

From the table above it is clear that the Local Municipality of Moses Kotane is highly dependent on the tourism sector.

Following are the general demographics for the tourism areas in the North West province.

**Table 10: General Statistical information for the Tourism Areas in the North West Province as in 2019 (Source: IHS Markit; Regional eXplorer 1923 (2.6i) October 2020)**

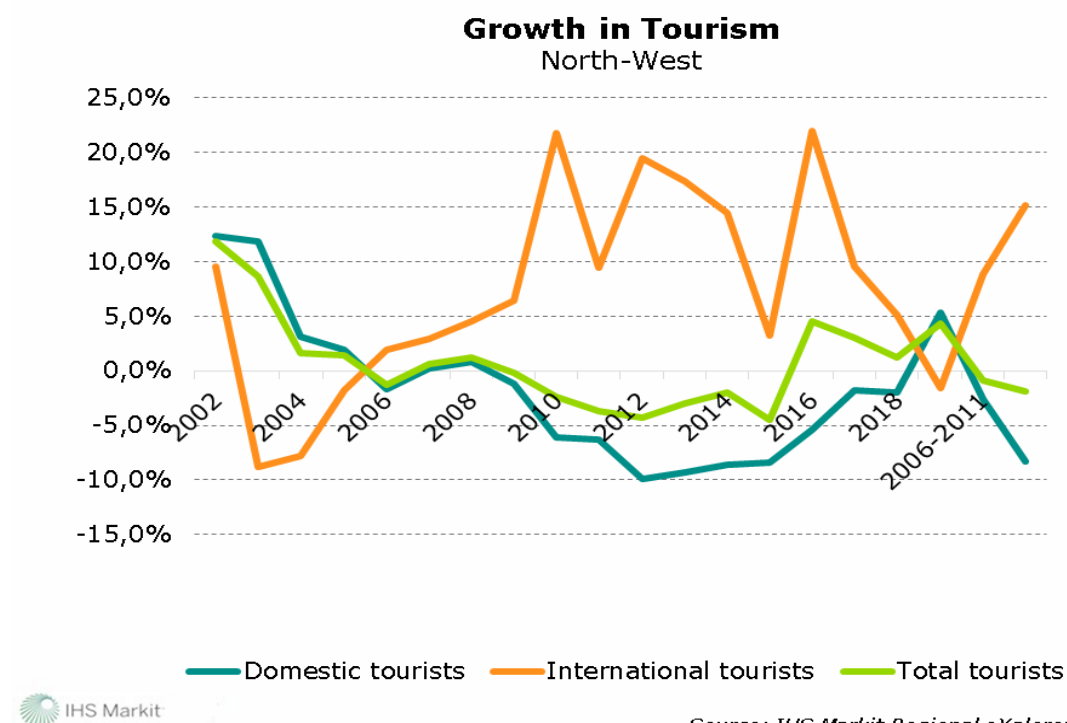
	Madibeng	Rustenburg	Moses Kotane	Mahikeng	City of Matlosana	JB Marks (Tlokwe/Ventersdorp)
Total population 2019	603 486	704 618	266 776	334 477	454 466	265 145
Population Growth rate (%) 2019	2,1%	2,2%	1,1%	1,6%	1,4%	2,0%
Population Growth rate (%) 2018-2023	1,8%	1,9%	1,2%	1,7%	1,3%	1,7%
Number of households 2019	205 209	236 293	82 009	96 331	134 058	82 036
HDI 2019	0,66	0,69	0,61	0,63	0,64	0,66
Gini coefficient 2019	0,62	0,61	0,59	0,61	0,59	0,62
Poverty gap rate (from upper poverty line) 2019	31,4%	31,3%	31,5%	31,4%	31,2%	31,1%
Functional literacy: age 15+, completed grade 7 or higher	381 911	464 368	156 267	191 059	270 506	154 399
%	84,4%	86,3%	80,9%	82,2%	84,6%	81,4%
Population density (number of people per km <sup>2</sup> )	162,22	206,26	46,59	91,74	126,16	41,44
Urban Population Rate (%)	29,7%	65,4%	8,8%	19,0%	94,9%	82,5%
Number of Households Formal Housing	196 197	242 850	81 397	93 892	133 564	78 751
Unemployment Rate - official definition	31,2%	35,8%	41,9%	18,8%	39,5%	18,5%



Number of EAP, official definition	230 119	249 494	76 117	130 317	160 305	99 036
%	38,1%	35,4%	28,5%	39,0%	35,3%	37,4%
Number of unemployed people, official definition	71 699	89 411	31 879	24 491	63 349	18 273
Annual per capita income (Rand, current prices)	66 103	81 037	44 412	50 273	52 592	71 597
Annual per household income (Rand, current prices)	194 399	241 650	144 472	174 557	178 291	231 404
% Increase 2015 to 2019	25,85%	21,69%	22,66%	22,85%	10,73%	22,03%
Annual Total expenditure	39 977 970	57 222 473	11 873 355	16 851 301	23 952 416	19 024 114
GVA-R (Current Prices (R1000)) 2019	55 171 279	61 985 581	13 486 064	22 279 481	30 402 692	20 713 437
GVA-R Constant 2010 prices (R 1000)	32 844 795	33 028 518	7 405 524	13 375 474	16 963 377	12 325 779
GVA-R Average annual growth (Constant 2010 Prices)2019	-0,8%	-1,5%	-1,6%	0,7%	-1,9%	-0,6%
GVA-R Average annual growth (Constant 2010 Prices) 2018-2023	0,0%	-0,4%	-0,5%	-0,1%	-1,0%	-0,1%
GVA-R per Capita Current prices	91 421	87 970	50 552	66 610	66 898	78 121
GVA-R per Capita Constant 2010 Prices	54 425	46 874	27 759	39 989	37 326	46 487

The general trend in terms of tourism is that international tourism is increasing and domestic tourism is decreasing.

**Table 11: Tourism Bed nights: North West Province**



Source: IHS Markit Regional eXplorer version 1923

## Part D

### *Strategic Goals, Objectives and Performance Information*

*In this section the short to medium-term term objectives are provided on a per-programme basis, with reference also given to the strategic objective(s) to which the programmes relate. At the time of consultation Covid-19 was declared as a national state of emergency leading to some expectation of a reduced performance in regard to some of the objective's indicators. The impacts of this pandemic are likely to be severe and wide-ranging. The general approach of the GLR Group will be to monitor this and other external factors closely and respond where required.*

#### 5) STRATEGIC GOALS (LONG-TERM)

**Strategic Outcome-Oriented Goal of the GLR:** *To increase tourism consumption through innovation and best practice in order to drive provincial tourism growth by 2021.*

The GLR Group has adopted the following Strategic Objectives for the next three years:

**Table 12: GLR Strategic Objectives and Measurable Goals**

<b>Strategic Objective 1:</b>		<b>Maintain the going concern of the GLR Group by achieving sustainability ratios annually</b>	
<b>Measurable Goals</b>	<b>Possible Risk Factors</b>	<b>Mitigation/Remedial Action</b>	<b>Time Period</b>
Ensure prudent financial management	Going concern and liquidity (failure to pay our creditors)	<ul style="list-style-type: none"> <li>To continue stringent financial management oversight</li> <li>To create cash reserves equivalent to 1% of total assets</li> </ul>	2021/2022
Secure funding	Failure to utilise funding for debt clearance  Upgrades and infrastructure renovations	To ensure that long standing debt is cleared and infrastructure project plans are implemented as soon as funds are available	2021/2022
Increase occupancy and revenue	Inability to generate sufficient revenue for operations	Implement best practices through service excellence and operational efficiencies	2021/2022
Reduce debt book	Threat to liquidity	Active pursuit of outstanding debtors and to recoup monies owed	2021/2022

**Strategic Objective 2:****Improved good Corporate Governance**

Measurable Goals	Possible Risk Factors	Mitigation/Remedial Action	Time Period
Compliance with governance principles	Inadequate IT infrastructure Failure of internal control systems	Implementing integrated systems to improve controls and efficiencies	2021/2022

**6) OBJECTIVES**

Given some of the challenges and weaknesses outlined above and emphasis on the strategic priority of sustaining the GLR as a going concern, a systematic review of the programmes is required within the first quarter of the financial year. In addition to the objectives and targets provided below, a review for each programme should include:

- Strategic stakeholder engagement related to the programme implementation.
- Refined business cases in line with the strategic focus on profitability of the organisation as a whole (ensuring value for money in continuing with the programme).
- Potential benefits above and beyond financial gains (in line with developmental priorities).
- Resources available and required with resource gaps (financial, human, equipment) defined.
- Identification and updating of strategic and operational risk matrices per project and programme.
- Additional performance measurement criteria to be monitored, including risk mitigation procedures and other measures based on the above.

The above shall be reviewed by relevant governance structures to ensure progress towards the programme and strategic objectives.

## 6.1 Key Performance Indicators and Targets for 2021/2022

<b>Programme 1:</b>	<b>Governance &amp; Administration</b>
<b>Purpose of the Programme:</b>	To provide strategic direction to GLR in line with the imperatives of the PFMA, regulations and policies
<b>Outcome:</b>	Improved good corporate governance

**Table 13: Annual Targets**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
1.1	Percentage implementation of board resolutions	-	-	-	New	100%	100%	100%
1.2	Percentage reduction of audit findings in the Post Audit Action Plan (PAAP)				New	50%	75%	100%
1.3	Compliance with legislative prescripts	-	-	-	New	50%	75%	100%

**Table 14: Quarterly Targets**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2021/2022	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1	Percentage implementation of board resolutions	Quarterly	100%	100%	100%	100%	100%
1.2	Percentage reduction of audit findings in the Post Audit Action Plan (PAAP)	Annually	50%	-	50%	-	-
1.3	Compliance with legislative prescripts	Annually	50%	50%	50%	50%	50%

<b>Programme 2:</b>	<b>Business Operations</b>
<b>Purpose of the Programme:</b>	To improve business operations of the GLR Group for the benefit of revenue generation and occupancy
<b>Outcome:</b>	Maintain the going concern of the GLR Group by achieving sustainability ratios annually

**Table 15: Annual Targets**

Programme Number	Programme Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium Term Targets		
		2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
2.1	<b>Occupancy Growth Rate:</b> Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter	-	-12.99%	-1.37%	-	2%	3%	4%
	• <i>Bakgatla Resort</i>	6.19%	-12.39%	-1.99%	-	2%	2.5%	3%
	• <i>Manyane Resort</i>	12.81%	-7.50%	-4.69%	-	2%	2.5%	3%
	• <i>Madikwe River Lodge</i>	2.38%	-17.01%	-1.56%	-	1%	2%	3%
	• <i>Christiana All Seasons Resort</i>	15.62%	-0.54%	-5.43%	-	2%	2.5%	3%
	• <i>Cookes Lake</i>	1.02	-25.13%	8.36%	-	1%	2 %	2%
2.2	Percentage increase in revenue for the quarter measured against prior year same period:	-	-4.99%	-9.51%	10%	10%	10%	10%
	• <i>Bakgatla Resort</i>	8.58%	4.42%	-18.17%	10%	10%	10%	10%
	• <i>Manyane Resort</i>	14.01%	5.59%	-6.69%	10%	10%	10%	10%
	• <i>Madikwe River Lodge</i>	30.41%	8.73%	-4.65%	10%	10%	10%	10%
	• <i>Christiana All Seasons Resort</i>	36.66%	6.76%	-15.03%	10%	10%	10%	10%
	• <i>Cookes Lake</i>	-0.57%	-20.65%	1512.69%	10%	10%	10%	10%

**Table 16: Quarterly Targets**

Programme Number	Programme Performance Indicator	Reporting Period	Annual Target 2021/2022	Quarterly Targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
2.1	<b>Occupancy Growth Rate:</b> Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter	Quarterly	2%	1.2%	1%	1.5%	1.8%
	• <i>Bakgatla Resort</i>	Quarterly	2%	1%	1%	1.5%	1.2 %
	• <i>Manyane Resort</i>	Quarterly	2%	1.5%	1.2%	1.5%	1.8%
	• <i>Madikwe River Lodge</i>	Quarterly	1%	1%	1%	1.2%	1.5%
	• <i>Christiana All Seasons Resort</i>	Quarterly	2%	1%	1%	1.5%	1.2%
	• <i>Cookes Lake</i>	Quarterly	1%	1%	1%	1.2%	1.5%
2.2	Percentage increase in revenue for the quarter measured against prior year same period:	Quarterly	10%	10%	10%	10%	10%
	• <i>Bakgatla Resort</i>	Quarterly	10%	8%	8%	12%	10%
	• <i>Manyane Resort</i>	Quarterly	10%	10%	10%	12%	8%
	• <i>Madikwe River Lodge</i>	Quarterly	10%	9%	9%	12%	10%
	• <i>Christiana All Seasons Resort</i>	Quarterly	10%	8%	10%	12%	10%
	• <i>Cookes Lake</i>	Quarterly	10%	8%	12%	10%	10%

## 6.2 Technical Descriptions for Key Performance Indicators 2021/2022.

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator
Percentage implementation of board resolutions	Improved good corporate governance	Chief Executive Officer	<p><b>Simple count:</b> Number of Board Resolutions taken during previous quarter <b>MINUS</b> Number of Board Resolutions implemented during next quarter</p> <p><b>FORMULA:</b> (Resolutions taken (previous quarter) minus Resolutions implemented (current quarter) divide by resolutions taken = % Board Resolutions implemented)</p> <p><b>EVIDENCE:</b> Minutes of Board and Sub-Committee Meetings and the Action Plans</p>	Quarterly	Cumulative	Output
Percentage reduction of audit findings in the Post Audit Action Plan (PAAP)	Improved good corporate governance	Chief Financial Officer and/or Finance Reporting Manager	<p><b>Simple count:</b> Number of audit findings contained in the Management Report of prior year same period <b>MINUS</b> Number of audit findings contained in the Management Report of current year same period</p> <p><b>FORMULA:</b> (Current year number of audit findings minus prior year number of audit findings divide by prior year number of audit findings = % reduction/increase)</p> <p><b>EVIDENCE:</b> AGSA Management Report (Current and Prior Years)</p>	Quarterly	Cumulative	Output
Compliance with legislative prescripts	Improved good corporate governance	Chief Executive Officer	<p><b>Refer to paragraph 1.2.2 in the Corporate Plan</b></p> <p>Monitoring the compliance with the Annual Legislative Prescripts Framework as approved by the Board of Directors</p> <p><b>FORMULA:</b> Percentage achievement of the legislative prescripts due for submission/compliance, during the prescribed time (therefore, submission/compliance should be timeously done to ensure achievement of submission/ compliance)</p> <p><b>EVIDENCE:</b> Documents described as portfolio of evidence in the Annual Legislative Prescripts Framework</p>	Quarterly	Cumulative	Output
<p><b>Occupancy Growth Rate:</b></p> <p>Percentage difference between actual occupancy per quarter and prior year actual occupancy same quarter</p>	Maintain the going concern of the GLR Group by achieving sustainability ratios annually	General Managers	<p><b>FORMULA:</b> Total percentage actual occupancy per quarter minus total percentage prior year actual occupancy same quarter (see example below)</p>	Quarterly	Non-Cumulative (average %)	Output

Key Performance Indicator	Objective	Drivers	Method of Calculation	Reporting Cycle	Calculation Type	Type of Indicator																																					
			<table><tr><th rowspan="2">Resort/Entity</th><th>Occupancy Rate</th><th>Occupancy Rate</th><th rowspan="2">Q1 Difference</th></tr><tr><th>Q1 2018/2019</th><th>Q1 2019/2020</th></tr><tr><td>Bakgatla Resort</td><td>19.25%</td><td>19.78%</td><td>0.53%</td></tr><tr><td>Manyane Resort</td><td>30.14%</td><td>28.83%</td><td>-1.31%</td></tr><tr><td>Cookes Lake</td><td>14.00%</td><td>13.19%</td><td>-0.81%</td></tr><tr><td>Madikwe River Lodge</td><td>35.94%</td><td>31.52%</td><td>-4.42%</td></tr><tr><td>Christiana All Seasons Resort</td><td>17.29%</td><td>10.94%</td><td>-6.35%</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td>23.32%</td><td>20.85%</td><td>-2.47%</td></tr></table> <p><b>EVIDENCE:</b> System generated of the following: <b>Prior Year:</b> Daily Occupancy Report and Summarised/Detailed Occupancy Report <b>Current Year:</b> Daily Occupancy Report and Summarised/Detailed Occupancy Report</p>	Resort/Entity	Occupancy Rate	Occupancy Rate	Q1 Difference	Q1 2018/2019	Q1 2019/2020	Bakgatla Resort	19.25%	19.78%	0.53%	Manyane Resort	30.14%	28.83%	-1.31%	Cookes Lake	14.00%	13.19%	-0.81%	Madikwe River Lodge	35.94%	31.52%	-4.42%	Christiana All Seasons Resort	17.29%	10.94%	-6.35%						23.32%	20.85%	-2.47%						
Resort/Entity	Occupancy Rate	Occupancy Rate	Q1 Difference																																								
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	23.32%	20.85%	-2.47%																																								
<b>Revenue:</b> Percentage increase in revenue for the quarter measured against prior year same period	Maintain the going concern of the GLR Group by achieving sustainability ratios annually	General Managers	<p><b>FORMULA:</b> Total current revenue subtract total revenue prior year same period (see example below)</p> <table><tr><th rowspan="2">Resort/Entity</th><th>Revenue Collected</th><th>Revenue Collected</th><th rowspan="2">Q1 Difference</th><th rowspan="2">Q1 % Increase and/or Decrease</th></tr><tr><th>AGSA Audited Calculations 2018/2019</th><th>Q1 2019/2020</th></tr><tr><td>Bakgatla Resort</td><td>3,549,491.48</td><td>3,333,260.68</td><td>(216,230.80)</td><td>-6.09%</td></tr><tr><td>Manyane Resort</td><td>4,563,132.53</td><td>4,633,620.33</td><td>70,487.80</td><td>1.54%</td></tr><tr><td>Cookes Lake</td><td>112,618.24</td><td>607,117.01</td><td>494,498.77</td><td>439.09%</td></tr><tr><td>Madikwe River Lodge</td><td>2,280,253.61</td><td>1,380,670.11</td><td>(899,583.50)</td><td>-39.45%</td></tr><tr><td>Christiana All Seasons Resort</td><td>1,556,034.74</td><td>1,108,394.66</td><td>(447,640.08)</td><td>-28.77%</td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table> <p><b>EVIDENCE:</b> System generated of the following: <b>Prior Year:</b> Comprehensive Income Statement <b>Current Year:</b> Comprehensive Income Statement</p>	Resort/Entity	Revenue Collected	Revenue Collected	Q1 Difference	Q1 % Increase and/or Decrease	AGSA Audited Calculations 2018/2019	Q1 2019/2020	Bakgatla Resort	3,549,491.48	3,333,260.68	(216,230.80)	-6.09%	Manyane Resort	4,563,132.53	4,633,620.33	70,487.80	1.54%	Cookes Lake	112,618.24	607,117.01	494,498.77	439.09%	Madikwe River Lodge	2,280,253.61	1,380,670.11	(899,583.50)	-39.45%	Christiana All Seasons Resort	1,556,034.74	1,108,394.66	(447,640.08)	-28.77%						Quarterly	Non-Cumulative (average %)	Output
Resort/Entity	Revenue Collected	Revenue Collected	Q1 Difference		Q1 % Increase and/or Decrease																																						
	AGSA Audited Calculations 2018/2019	Q1 2019/2020																																									
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Christiana All Seasons Resort	1,556,034.74	1,108,394.66	(447,640.08)	-28.77%																																							



### 6.3 Historic Performance (non-financial) of the Golden Leopard Resorts SOC Ltd

During the annual audits, the AGSA performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. Further procedures were performed to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

**2019/2020:** The Auditor-General SA did not audit the revenue of the Group and could therefore not obtain an opinion on the performance information. The Auditor-General SA was unable to obtain sufficient, appropriate audit evidence for the annual performance report for **Programme 2: Business Operations**, as the annual performance report was presented without accurate and complete underlying records to audit the usefulness and reliability of reported performance information.

**2018/2019:** The Auditor-General SA did not identify any material findings on the usefulness and reliability of the reported performance information on **Programme 1: Business Operations**.

**2017/2018:** The Auditor-General SA was unable to obtain sufficient appropriate audit evidence to confirm the usefulness and reliability of the reported performance information because the annual performance report for the group was presented without an approved strategic plan for the group for the year under review, as required by Treasury Regulation 30. The Auditor-General SA was unable to audit the usefulness and reliability of the reported performance information by alternative means.

### 6.4 Reflecting on Outcomes

- a) The Medium Term Strategic Framework (MTSF) is government's strategic plan for the 2014-2019 electoral terms. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP.
- b) The GLR has aligned its strategy to the MTSF. In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

**Table 17: The MTSF outcomes, Correlating NDP Chapters and Relevance to GLR:**

Outcome	Subject	Correlating NDP Chapter	Relevance to GLR
Outcome 4	Decent employment through inclusive growth	Chapter 3	GLR Mandate
Outcome 5	A skilled and capable workforce to support an inclusive growth path	Chapter 9 & 13	GLR Values
Outcome 7	Vibrant, equitable, sustainable rural communities contributing towards food security for all	Chapter 6	Projects

Outcome	Subject	Correlating NDP Chapter	Relevance to GLR
Outcome 10	Protect and enhance our environmental assets and natural resources	Chapter 5	Ensure that projects have RODs on Environmental Impact Assessments (EIAs) Ensure Energy Efficiency of all properties Facilitate investment in Renewable Energy. Reduce, reuse and recycle
Outcome 11	Create a better South Africa and contribute to a better Africa and a better world	Chapter 7	Destination Marketing
Outcome 12	An efficient, effective and development-oriented public service	Chapter 13 & 14	GLR (Strategic Objective 1) Ensure the sustainability of the GLR

- c) The GLR aims to implement key programmes and to provide support for the development of the Tourism Sector of the NWP in pursuit of the provincial focus in tourism, economic growth and investments. GLR aims to contribute by serving as the catalyst in the tourism and hospitality industry.
- d) The desired outcome for the GLR is to contribute towards the growth and transformation of the economy by positioning the North West Province as a competitor in the tourism sector, provincially, nationally and internationally.

# Annexure A

## *Risk Management Strategy*

*Risk management is the process of identifying, assessing and controlling threats to an organisation's capital and earnings. These threats, or risks, could stem from a wide variety of sources, including financial uncertainty, legal liabilities, strategic management errors, accidents and natural disasters. IT security threats and data-related risks, and the risk management strategies to alleviate them, have become a top priority for digitised companies. By implementing a risk management plan and considering the various potential risks or events before they occur, an organisation can save money and protect their future. This is because a robust risk management plan will help a company establish procedures to avoid potential threats, minimise their impact should they occur and cope with the results. This ability to understand and control risk enables organisations to be more confident in their business decisions. Furthermore, strong corporate governance principles that focus specifically on risk management can help a company reach their goals.*

### **1) PURPOSE**

This document sets out the Risk Management Strategy for the GOLDEN LEOPARD RESORTS Group.

The Golden Leopard Resorts (GLR) Group is committed to a process of risk management that is aligned to the Public Sector Risk Management Framework and the principles of good corporate governance. The Risk Management Strategy for the GLR Group has thus been developed in response to the requirements of Section 51 of the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999. In terms of this section, the Accounting Authority for a public entity must ensure that such public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control.

### **2) LEGAL MANDATE**

The Public Finance Management Act (PFMA) assigns extensive responsibilities to the Accounting Authority and these responsibilities include ensuring that the entity under its control has effective, efficient and transparent systems of financial and risk management and internal control. In order to assist the Accounting Authority in discharging these responsibilities, the Chief Executive Officer and the management team acknowledges and accepts the responsibility for maintaining a sound system of internal control. Management are fully committed to an effective risk management system and function in the organisation and in ensuring that strategic objectives are met and that risks are managed to an acceptable level to create value for all stakeholders.

- 2.1 The Public Finance Management Act, 1999 supplemented by the relevant Treasury Regulations, has legislated some key governance best practices which have also been included in the revised King 4 Report on Corporate Governance.

Section 51 (1) (a) of the PFMA requires that:

“The accounting authority for a public entity must ensure that that the public entity has and maintains:

- i) Effective, efficient and transparent systems of financial and risk management and internal control; and
- ii) A system of internal audit under the control and direction of an audit committee.”

2.2 The extension of the general responsibilities, in terms of Section 57 of the PFMA, to all managers is a cornerstone in the institutionalisation of risk management within the entity. It further establishes accountability for risk management at all levels of management, and does not limit it to the Accounting Authority, Accounting Officer, risk management unit or internal audit units.

The roles and responsibilities for the implementation of a Risk Management strategy are contained in the treasury regulations published in terms of the PFMA. TR 27.2.1 enjoins the Accounting Authority to ensure that:

- a) A risk assessment is conducted regularly so as to identify emerging risks of the public entity
- b) A risk management strategy is developed which must include a fraud prevention plan,
- c) The risk assessment must be used to direct internal audit effort and priority
- d) The risk strategy must be used to determine the skills required of managers and staff to improve controls and to manage these risks.

2.3 The King report on Corporate Governance also reflects on risk management as an integral part of strategic and operational activities

### **3) RISK MANAGEMENT OBJECTIVES**

The Accounting Authority, i.e. the Board of Directors of the Golden Leopard Resorts, is responsible for ensuring that there is a sound system of risk management and internal control in place to safeguard the organisation’s assets and investments, ensure achievement of strategic objectives, be accountable towards all stakeholders and ensure service delivery to all stakeholders is achieved. The Golden Leopards Resorts Group’s operations shall therefore be governed by a risk management framework through which risks are identified and pro-actively managed in accordance with agreed risk tolerance levels. The Golden Leopards Resort Group will further ensure that such a risk management framework exists, outlining the process of identification, assessment, management, monitoring and reporting of risks. Awareness and understanding of the risk management framework will be established at all of the appropriate levels of the organisation with the aim of establishing a culture of risk management across the board as being everyone’s responsibility.

Effective risk management therefore aims to ensure that the Golden Leopard Resort Group achieves its objectives by minimising negative outcomes and optimising opportunities. Implicit in the objectives is that:

- 3.1 Risk management does not only focus on managing downside risks, it further assists in identifying opportunities and ensures that the risks involved in these opportunities are appropriately managed.
- 3.2 The implementation of internal controls needs to carefully consider the costs and benefits, i.e. the cost of control should not exceed the potential loss should the risk occur; and
- 3.3 A major component of risk management is the establishment of a fraud prevention plan. Managing the risk of fraud and corruption entails the development, implementation, and maintenance of cost effective internal controls, whilst prioritising the prevention of such an event occurring.

#### **4) BENEFITS OF RISK MANAGEMENT**

The creation of a risk management culture and process at the Golden Leopards Resorts will assist with the achievement of its objectives. The benefits of sound risk management for the Golden Leopard Resorts Group are:

- a) Organisational alignment: The risk management process is designed to complement effective strategic and operational planning. However, as the risk management approach is objective driven, it will assist in ensuring that management and employees understand and are committed to the key objectives which have been defined. This will include an understanding of the key performance indicators (KPIs) tied to employee output against which success is measured.
- b) Improved ability to manage risks: By formally identifying and evaluating risks the Golden Leopard Resorts Group will improve its understanding of the risks which need to be managed. Furthermore, management will analyse and understand the causes of risks to ensure internal controls manage these causes.
- c) Improved ability to achieve objectives: By proactively identifying risks, the Golden Leopard Resorts Group will have a better understanding of risks and be more anticipatory and therefore able to achieve its objectives with greater certainty.
- d) Improved ability to seize opportunities: By understanding its risk profiles, the risk management process will enable Golden Leopard Resorts Group to seize and execute new opportunities successfully;
- e) Cost Effective Internal Controls: The risk management process will ensure that Golden Leopard Resorts' system of internal control is cost effective – by focussing more resources on higher risk areas. Areas of over control should be identified and removed;
- f) Sustainability: The risk management process is a means to educate all management and staff on their responsibility for risk management and the effective application of internal controls. Risk management will be embedded at all levels within Golden Leopard Resorts Group;
- g) Risk Management Framework: The GLR Group's Risk Management framework is based on the principles embodied in the Public Finance Management Act (PFMA), 1 of 1999, Public Sector Risk Management Framework published by National Treasury, Enterprise Risk Management Framework published by the Committee of Sponsoring Organisations

(COSO) of the Treadway Commission, King Codes on Governance Principles (King IV) and Batho Pele principles. The principles outlined in the framework are incorporated in risk management-related policies and procedures that support the GLR Group's Risk Management framework.

The objective of this framework is to have a uniform approach to Risk Management and to identify and assess all the risks that could affect the achievement of the GLR Group's objectives, its employees, reputation, business processes and systems, as well as its financial and environmental performance. It also serves to ensure that these risks are dealt with at an acceptable level.

## **5) RISK MANAGEMENT STRUCTURES AND RESPONSIBILITIES**

### **5.1 Accounting Authority (Board of Directors)**

The Accounting Authority takes an interest in risk management to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place to protect the entity against significant risks. The board's responsibility for risk governance is also expressed in the board charter.

### **5.2 Audit & Risk Committee**

The Audit & Risk Committee is an independent committee responsible for oversight of the entity's control, governance and risk management. The responsibilities of the Audit & Risk Committee with regard to risk management are formally defined in its charter. The Audit & Risk Committee provides an independent and objective view of effectiveness of the entity's risk management.

### **5.3 Risk Management Committee**

The GLR Holding Company does not have a separate Risk Management Committee overseeing the risk management function. The risk management responsibilities of the holding company reside with the Audit & Risk Committee as stipulated in 7.2 above.

Based on the nature of their businesses, the subsidiaries of the GLR Holding Company may constitute a Risk Management Committee as envisaged by the Public Sector Risk Management Framework. The GLR Holding Company, however, sets out all the risk management literature for the GLR Group. While customisation by a subsidiary within the Group of any risk management literature is allowed, it should not contradict the holding company documents.

### **5.4 Provincial Treasury**

The role of the Provincial Treasury is to prescribe National and Provincial norms and standards, monitor and assess the implementation of risk management, build risk management capacity and enforce the PFMA.

## **5.5 Accounting Officer**

The Accounting Officer is accountable for the GLR Group's overall governance of risk. By setting the tone at top management level, the Accounting Officer promotes accountability, integrity and other factors that will create a positive control environment.

## **5.6 Top Management/ Executive Managers**

Top management assume responsibilities for the establishment of specific policies, procedures and internal control measures in their respective units' activities to counter identified risks. Top management is also responsible for integrating risk management into operational activities and routines. Their role is equal to roles of Risk Owners as contemplated in 7.10 below.

## **5.7 Other Officials**

Other officials are responsible for integrating risk management into their day-to-day activities. They must ensure that their delegated risk management responsibilities are executed and must continuously report on progress.

## **5.8 Chief Risk Officer**

The Chief Risk Officer is the custodian of the Risk Management Strategy, and coordinator of risk management activities throughout the GLR Group.

## **5.9 Risk Champions**

Risk Champions are primarily catalysts to effective Risk Management. Usually (but not exclusively), this group may consist of second level managers or lower. Also, a Risk Champion should have sufficient authority to drive Risk Management programmes as required by the institution's risk management policy and strategy.

## **5.10 Risk Owners**

Risk owners are responsible for the management, monitoring and control of the identified risks. This includes the implementation of the mitigating responses and the reporting thereof.

## **5.11 Internal Audit**

The role of Internal Audit in risk management is to provide an independent, objective assurance that adequate and effective risk management and control processes are in place throughout North West Development Corporation Group.

The Internal Audit function plays an important role in the monitoring of risk management and the quality of performance as part of their regular duties or upon special request by management. The function assists both management and the Audit & Risk Committee by monitoring, examining, evaluating, reporting on and recommending improvements to the adequacy and effectiveness of management's risk management processes.

## **5.12 External Audit**

External auditors bring an independent and objective view, contributing directly through the financial statements' audit and internal control examinations, and indirectly by providing additional information useful to management, the accounting authority and the executive authority in carrying out their responsibilities.

## **6) APPLICATION OF THE RISK MANAGEMENT STRATEGY**

In applying the risk management strategy, the following must be catered for:

### **6.1 To define and implement risk management in the Golden Leopard Resorts Group by:**

- Creating an appropriate control environment of values, discipline and structure in the organisation.
- Developing a centrally co-ordinated risk framework and management process to ensure consistency throughout the organisation. This will include the development of a Fraud Prevention Plan.
- Ensuring that risk management is not one event, but a series of continuous actions that permeate a business unit's activities.
- Defining the responsibilities for risk management throughout the organisation.
- Developing a clear and unambiguous understanding of the entity's strategic objectives and purpose of risk management;
- Continually evaluating and reviewing the internal and external environment for risks that may affect the achievement of strategic objectives; and
- Continually reviewing risk tolerance as the internal and external environment changes

### **6.2 To implement a continuous risk management process in the Golden Leopard Resorts Group resulting in:**

- An annual review of the most significant risks facing the organisation;
- Assessment and evaluation of the inherent impact and likelihood of identified risks occurring
- Determination of the organisation's response to the risk, e.g. Accept, Manage, Transfer (insure) or Avoid. Cost benefit as well as service delivery considerations will be a factor in deciding on the most suitable response;
- Where the response is to manage or transfer the risk, Golden Leopard Resorts Group will examine existing procedures and controls in place to manage the risk to an acceptable level;



- Re-evaluation of the risk after taking controls into account, to obtain the residual risk/exposure;
- Consideration of any enhancements to control that may be required to reduce residual exposure to an acceptable level;
- Ongoing monitoring of the status of risks and developing a process for appropriate action if that status changes;
- Reporting to management and the Audit and Risk Committee on an ongoing basis regarding the results and status of risk management throughout the organisation;
- Maintaining an awareness of risk and the risk management processes throughout Golden Leopard Resorts Group

## 7) RISK MANAGEMENT PROCESS

The risk management process of Golden Leopard Resorts Group shall consist of the following key stages:

### 7.1 Risk Identification & Assessment

- Determination of objectives:* The strategic objectives of a business unit/division should be plotted along with the key performance indicators to measure the achievement of these strategic objectives.
- Identification of risks:* The risks which can prevent the achievement of the strategic objectives will be identified. Identification of risks will use the skills and experience of management and staff in general, and keeping in line with risk management best practices. The risk categories and types to guide the process of identification are discussed in section 10 below.
- Risk Evaluation:* The impact and likelihood of risks, pre and post consideration of current systems, controls, processes and people in place will be assessed using the risk evaluation criteria and risk rating tool as defined in **Paragraph 12 below**.

The outcome of the evaluation for each risk will be compared to the risk appetite to determine if the current exposure is acceptable or not.

- Identification of opportunities:* For each objective and area profiled management should identify opportunities for improving current practices. These opportunities will then be subject to planning.

### 7.2 Review of Controls

Revision of control strategy: Once the initial risk identification and assessment has been determined for each strategic objective, management will review the control strategy for each individual risk to assess if it is the most appropriate. Control strategies which can be employed are:

- Accept: Each risk can be accepted. This is normally the case for low impact risks with a low likelihood of occurrence.

- ii. **Avoid:** Certain new ventures, initiatives and / or projects may have too much associated risk and as such a decision can be taken not to engage in the activity.
- iii. **Transfer:** This control strategy includes transferring the risk to a third party such as an insurance company. Note the transfer of risks normally occurs for risks with a high impact but a low likelihood of occurrence.
- iv. **Manage:** In most cases the risks need to be managed in a cost effective manner, so that the risk exposure is acceptable.

If the control strategy is to manage the risks, then the system of internal controls in place to manage the risks, should be reassessed. To assist in this regard it should be noted that:

- **Preventative** controls which manage the likelihood of a risk occurring are more efficient than **detective** controls which manage the impact of the risks, were they to occur.
- **Automated** controls are more efficient than **manual** controls and are generally more reliable.

Action Plans / Operational Plans: Where improvements to the current internal control systems are required, action plans or operational plans should be documented by management. Moreover, the better the plans are communicated to the various stakeholders, the easier it will be to obtain buy-in of the proposed plans and a commitment to their implementation.

### 7.3 Risk and Control Monitoring

- (a) **Key Risk Indicators:** For each of the risks in the profiles, where appropriate, management will identify the key risk indicators which should be monitored to determine if the risk is likely to materialise. These key risks indicators will complement key performance indicators and will be included in management reporting where this will add value.
- (b) **Issue Tracking:** Where risks in the profile are identified as unacceptable or where control improvements are identified, management will track progress in resolving these issues until the revised internal controls are embedded in the operations.
- (c) **Risk Treatment Plan:** Risk treatment is the process of selecting and implementing measures to modify the identified risk. Risk treatment measures can include avoiding, optimising, transferring or retaining risk. Risk Treatment Plans are therefore necessary to describe how the chosen options will be implemented. The treatment plans should be comprehensive and where applicable should provide all necessary information about:
  - proposed actions, priorities or time plans,
  - resource requirements,

- roles and responsibilities of all parties involved in the proposed actions,
  - performance measures,
  - reporting and monitoring requirements.
- (d) Re - assessment of risks: Some risks, by their nature, need to be re-evaluated on a frequent basis and this period will be determined by prevailing business conditions. However, as a minimum, the risks and the systems of internal control to manage the risks, should be formally re-assessed on an annual basis.

#### **7.4 Risk Management Reporting**

The reporting of the risk management process should be through the existing reporting lines. The reporting process may be subject to change as requirements and risk management practices evolve. Basic protocols have been set out below:

- The Risk Registers that include key risks – including the impact and likelihood, pre- and post- controls in place to manage the risk, residual risks, mitigation plans, etc.;
- Any material changes to the overall company risk profile;
- Summaries of significant controls breakdowns/ losses;
- Details of breaches of controls and compliance requirements; and
- The results of assurance work to date.

Even though various policy documents of the GLR have escalation procedures, the responsibility to escalate material risk issues timeously to the appropriate person/s lies with all employees of the GLR Group.

It may not be practical or cost effective to implement the above risk management process to all processes throughout the organisation. As such, at a process level:

Management should take responsibility for asserting that the controls in place to manage the key process risks are adequate and have been effectively applied throughout the financial year.

The key process risks for each of the operations are discussed and agreed upon between management and the Audit Committee and are reviewed and approved by the Board of Directors.

Internal Audit will base their internal coverage on the most significant risk areas identified through the risk assessment process.

## 8) RISK CATEGORIES AND TYPES

The broad risk framework of Golden Leopard Resorts Group will consider the following risk categories and types:

### 8.1 Main Risk Categories & Types

- (a) Strategic
- (b) Project
- (c) Fraud
- (d) Operational

Detailed descriptions of the Main Risk Categories, including examples:

Risk Categories/Types	Broad definition	Examples of key risks
<b>Strategic</b>	The risk that strategic intent and direction cannot be sustained and/or objectives cannot be achieved	<ul style="list-style-type: none"><li>• Inappropriate strategy</li><li>• Incorrect implementation of strategic objectives.</li><li>• Wrong strategic decision taken</li><li>• Lack of leadership</li><li>• Inadequate succession planning resulting in inability to achieve objectives</li></ul>
<b>Project</b>	External factors which may play a role in determining the outcome regarding whether a project has been successful or not.	<ul style="list-style-type: none"><li>• Stakeholders may not have the inclination or the capabilities required to execute the project</li><li>• Regulatory risk: Rules and regulations that must be complied with to avoid failure of project</li><li>• Execution risk: Poorly scoped project may cause a wastage of resources, prompting management to abandon the project.</li></ul>
<b>Fraud</b>	The management of fraud risk (i.e. prevention, detection and response) that is not in a manner consistent with the regulatory requirements as well as entity's needs	<ul style="list-style-type: none"><li>• Conflicts of Interest, abuse of discretion, favouritism, etc.</li><li>• Bribery and extortion</li><li>• Asset misappropriation</li><li>• Fraudulent statements</li></ul>
<b>Operational</b>	The strategic objective and mission of every business unit to ensure that they are meeting their objectives and service delivery targets.	<ul style="list-style-type: none"><li>• Poor service delivery</li><li>• Inefficient service delivery</li><li>• Inappropriate organisational structure</li><li>• Strategy change without appropriate organisational structure change</li></ul>

### 8.2 Expanded Risk Categories/Types

- (a) Culture,
- (b) Reputation,
- (c) Financial,
- (d) Procurement,
- (e) Communication,
- (f) Legal,

- (g) Compliance,
- (h) Fraud,
- (i) Technology,
- (j) Human Resources,
- (k) Security
- (l) Environmental.

Detailed descriptions of the Expanded Risk Types are:

Expanded Risk Categories/Types	Broad definition	Examples of key risks
<b>Culture</b>	The alignment of ethics and values in the organisation	<ul style="list-style-type: none"> <li>• Poor or inconsistent ethics and values throughout the organisation</li> <li>• Different beliefs and values impacting goal alignment.</li> <li>• Different beliefs and values impacting acceptance of change and integration</li> </ul>
<b>Reputation</b>	The risk that the actions or inaction harms the reputation of Golden Leopard Resorts.	<ul style="list-style-type: none"> <li>• Damage to brand due to adverse public event</li> <li>• Damage to reputation due to release of inaccurate information</li> </ul>
<b>Finance</b>	The risk of financial loss or incorrect financial decisions being made.	<ul style="list-style-type: none"> <li>• Incomplete, inaccurate or unreliable financial information.</li> <li>• Inadequate financial reporting for decision making</li> <li>• Lack of or inappropriate finance policies and procedures.</li> <li>• Financial loss / loss of assets</li> </ul>
<b>Procurement</b>	The risk of unauthorised or inappropriate procurement	<ul style="list-style-type: none"> <li>• Lack of procurement policies and procedures</li> <li>• Unauthorised expenditure</li> </ul>
<b>Budgeting</b>	The risk that the budgeting process is inadequate or inappropriate to achieve business objectives.	<ul style="list-style-type: none"> <li>• Inadequate funding</li> <li>• Inaccurate budgeting and planning</li> </ul>
<b>Communication</b>	Inappropriate or ineffective communication within the organisation.	<ul style="list-style-type: none"> <li>• Lack of communication structures or processes.</li> <li>• Inappropriate or inadequate reporting</li> </ul>
<b>Legal</b>	<p>The risk that Golden Leopard Resorts will be exposed to contractual obligations which have not been provided for.</p> <p>Unwillingness of a counterparty to discharge contractual obligations</p>	<ul style="list-style-type: none"> <li>• Incorrect legal advice given on the law or contractual interpretation</li> </ul>
<b>Compliance</b>	The risk of not complying with policies and procedures/ laws and regulations	<ul style="list-style-type: none"> <li>• Failure to comply, detect or report non-compliance with external (e.g. statutes, common law and client mandates) and internal requirements (e.g. approval framework)</li> </ul>

Expanded Risk Categories/Types	Broad definition	Examples of key risks
<b>Technology</b>	The risk of obsolescence of infrastructure, deficiency in integration, failures/inadequacies in systems/networks and the loss of accuracy, confidentiality, availability and integrity of data	<ul style="list-style-type: none"> <li>• Inadequate procedures to prevent, detect and follow-up on access violations (including data, application, firewall and internet)</li> <li>• Inaccurate or unreliable information due to system problem/failure.</li> <li>• Non-compliance with the information security policy, e.g. change control, e-mail policy, anti-malicious code, etc.</li> <li>• Inadequate procedures to develop, maintain and test the BCP / Disaster Recovery plan (including telecommunications, data backup)</li> </ul>
<b>Human Resource</b>	<p>The risk of ineffective or inefficient HR practices and infrastructure</p> <p>The risk that employees are unable to achieve objectives.</p>	<ul style="list-style-type: none"> <li>• Inappropriate alignment of staff and culture to strategy and values</li> <li>• Exposure to loss of key employees</li> <li>• Inadequate measurement, and management of staff performance and development</li> <li>• Lack of or inappropriate employee training.</li> <li>• Poor recruitment decisions</li> <li>• Inability of employees to perform their functions adequately and effectively</li> </ul>
<b>Employee Value</b>	The risk that employees are not valued	<ul style="list-style-type: none"> <li>• Lack of employee motivation</li> <li>• Poor productivity of employees</li> <li>• Employees not adequately compensated</li> <li>• Poor retention of employees</li> </ul>
<b>Security</b>	The risk that human resources or physical assets are not appropriately safeguarded	<ul style="list-style-type: none"> <li>• Loss or theft of assets</li> <li>• Loss of or endangerment of human life</li> </ul>
<b>Environmental</b>	The actual or potential threat of adverse effects on living organisms and the environment by effluents, emissions, wastes, resource depletion, etc., arising from an organisation's activities.	<ul style="list-style-type: none"> <li>• Failure to Adapt to Climate Change</li> <li>• Incurable Pollution</li> <li>• Antibiotic-Resistant Bacteria</li> <li>• Land and Waterway Mismanagement</li> <li>• Mismanaged Urbanisation</li> <li>• Persistent Extreme Weather</li> <li>• Rising Greenhouse Gas Emissions</li> <li>• Species Exploitation</li> <li>• Unprecedented Geophysical Destruction</li> <li>• Vulnerability to Geomagnetic Storms</li> </ul>

## 9) RISK MANAGEMENT IMPLEMENTATION PLAN

The primary objective of the Risk Management Implementation Plan is to facilitate the execution of risk management. The Risk Management Implementation Plan thus describes how the Risk Management Strategy is to be implemented during the coming financial year. In the compilation of the Risk Management Implementation Plan, the GLR GROUP adheres to the guidelines as stipulated by the National Treasury. The development of the risk management implementation plan has thus taken into consideration:

- The Risk Management Policy;
- The Risk Management Strategy;
- Available resources; and
- Urgency, quick wins and sustainability

The Risk Management implementation Plan will be reviewed and updated on an annual basis. The detailed Risk Management Implementation Plan is tabulated here below:

Actions	Outputs	Deadlines/ Timeframe	Responsible person/s	Progress to Date
Promotion of a risk management culture in the organisation	Review and updating of all Risk Management literature	Q1 of 2021/2022	Risk Manager	Already updated
	Provision of Risk Management Training to other role players	Q2 of 2021/2022	Risk Manager	Not yet done
	Inclusion of Risk Management Framework in the induction and orientation programme of new employees	Standard (ongoing)	HR Manager	Ongoing
	Inclusion of Risk Management as a standing item on the Management meeting's agenda	Standard (ongoing)	Chief Executive Officer	Ongoing
	Incorporate Risk Management responsibilities into the performance contracts of employees	Q1 of 2021/2022	HR Manager	No progress up to date
	Standard Operating Procedures must incorporate risk factors	Q2 of 2021/2022	Executive Managers / Risk Owners	In progress
Risk Identification & Assessment	Introduce Incident Registers for each division or section	Q2 of 2021/2022	Risk Management Officers Risk Champions	Ongoing
	Identification and assessment of all enterprise risks	Q1 of 2021/2022	Risk Management Officers	Completed
	Implement an integrated Risk Management computerised system or tool	Q2 of 2021/2022	ICT Manager	No progress up to date
Risk Mitigation Plans	Develop risk response plans, assigning responsibilities and timeframes for implementation	Q1 of 2021/2022	Executive Managers / Risk Owners	Processed

Actions	Outputs	Deadlines/ Timeframe	Responsible person/s	Progress to Date
Risk Monitoring	Regular progress reports on the mitigation of risks by Managers/ Management	Quarterly	Risk Manager	Completed
	Internal audit to provide assurance on the effectiveness of Enterprise Risk Management	Quarterly	Internal Audit	Not yet completed
	Audit & Risk Committee to monitor the implementation of action plans emanating from the Strategic Risk Register and hold accounting officers and Executive Management accountable	Quarterly	Audit & Risk Committee	In progress

## 10) RISK APPETITE AND TOLERANCE STATEMENT

The risks arising from the GLR Group mandate can be significant. These risks are managed through detailed processes that emphasise, among others, the importance of public accountability, maintaining high quality staff, and integrity. The success of the GLR Group is dependent upon the amount and type of risk that it is willing to take in order to meet its strategic objectives – this includes both the organisation's risk appetite and risk tolerance.

- a) **Risk appetite** is focussed on the pursuit of risk and the parameters which the organisation must employ in deciding whether or not to take on the risk. It defines what types of risks an organisation will pursue. For example, which types of markets, products, services, clientele and customers it will target.
- b) **Risk tolerance** defines or quantifies the maximum amount of risk that the organisation is technically able to accept. For example, this may be the maximum level of risk the organisation can absorb or manage before breaching factors such as its capital base, liquidity levels, borrowing capacity, reputational and regulatory requirements, operational constraints and obligations to the shareholder, customers and other stakeholders.
- c) **Risk Appetite Statement.** The overall responsibility for overseeing the management of risks, compliance with the organisation's risk management framework and the agreed risk appetite of the group lies with the Board. The Board's attitude towards and appetite for risk are communicated to the group's businesses through the strategic planning process. In determining its risk appetite, the Board recognises that a prudent and robust approach to risk mitigation must be carefully balanced with a degree of flexibility so that the entrepreneurial spirit which has contributed to the attainment of the company's strategic objectives is not inhibited.

The NWDC Group has an overall conservative risk appetite.



*The Risk Appetite Statement establishes risk tolerance in the following seven (7) categories:*

**Table: Risk Tolerance Levels**

#	Risk Category	Definition	Risk Appetite
1	Strategic Risks	The risk that the organisation's strategy selection, prioritisation, adaptation and implementation will jeopardise the achievement of GLR Group's goals and objectives	High
2	Project Risks	The risk that external factors will play a role whether a project will be successful or not	High
3	Fraud Risks	The risk that GLR Group will not take all allegations of suspected fraud or corruption seriously or respond fully and fairly as set out in the Whistle Blowers Policy leading to deficiencies in its reputation	High
4	Operational Risks	The risk that people, processes, systems, or external events will impede GLR Group's ability to meet its objectives	High
5	Financial Risks	The risk that the GLR Group's financial resources will be vastly impaired because of reduction in assets under its control or management, inefficient resource utilisation, or increasing expenditures, thus adversely impacting on the ability of the GLR Group to successfully complete its mission	High
6	Reputational Risks	The risk that negative perception will jeopardise the GLR Group's credibility, achievement of mission and strategic objectives, or ability to maintain the agency as a preeminent bank regulator	High
7	Compliance Risks	The risk that the GLR Group will have gaps in critical functions to fulfil its obligations under applicable law and regulations. (E.g. appetite for deliberate or purposeful violations of legislative or regulatory requirements. Identified breaches of compliance must be remedied as soon as practicable)	High

**Table: The process in response to the identified and rated risks is summarised as follows:**

Event Magnitude	Event Acceptability	Risk Profile	Proposed Actions
<b>Maximum risk (Material and/or immediate threat exceeding risk appetite)</b>	<b>Unacceptable</b>	If the risk profile falls in this area, the organisation will be in breach of its risk tolerance	Take action to reduce the risk with highest priority, i.e. Executive Management to bring to the attention of the Chief Executive Officer and the Board of Directors
<b>High risk (Threat to exceed the risk appetite)</b>	<b>Unacceptable</b>	If risk profile falls in this area, the organisation will be in breach of risk appetite but within risk tolerance	Take action to reduce the risk with highest priority, i.e. bring to attention of Executive Management. (Discretion in involving the Chief Executive Officer will be dictated by the event)
<b>Low risk (No threat to exceed the risk appetite)</b>	<b>Acceptable</b>	If risk profile falls in this area, the organisation will be within its risk appetite	Take action to reduce the risk, i.e. inform Senior Management

Event Magnitude	Event Acceptability	Risk Profile	Proposed Actions
<b>Minimum risk (No threat to exceed the risk appetite)</b>	<b>Acceptable</b>	If risk profile falls in this area, the organisation will be within risk appetite	No risk reduction required. Simply control, monitor and inform management.

## 11) FRAUD PREVENTION PLAN

- a) The GLR Group commits itself to deterring and preventing fraudulent and corrupt behaviour in the performance of its business. This commitment shall be met by:
- Identifying opportunities for fraud and corruption and implementing prevention procedures in the day to day operations. The procedures will assist management, who are ultimately responsible for the prevention and detection of fraud and corruption, in the deterrence and/or timely detection of both internal and external fraud and corruption opportunities;
  - Implementing procedures to investigate all allegations of fraudulent and corrupt behaviour;
  - Reacting appropriately to situations where fraud allegations are proven to be true. This may be through reporting to relevant authorities and taking disciplinary action in accordance with the organisation's policies;
  - Providing appropriate training and promulgating relevant codes of conduct to ensure employees and stakeholders are aware of their responsibilities in combatting fraud and corruption; and
  - Fostering an environment in which fraudulent and corrupt activities are discouraged and completely eliminated.
- b) The GLR also recognises the debilitating effects of fraud and corruption which extend beyond the loss of cash and other assets, and further result in severe negative repercussions on the ability of the organisation to achieve its objectives. Although difficult to quantify such acts, if left unchecked, fraud and corruption will seriously and adversely have an impact on:
- The quality and effectiveness of service delivery;
  - The strength of business relationships with clients, suppliers and the public;
  - Employee morale; and
  - Reputation and image of the GLR.
- c) Thus, the overall attitude of GLR is **Zero Tolerance** to fraud and corruption. In addition, all fraud and corruption transgressions will be investigated by applying all remedies available to the full extent of the law. Furthermore, appropriate prevention and detection internal controls will be instituted to deter future occurrences of such transgressions. All information received relating to fraud and corruption shall be

treated with utmost confidentiality and in accordance with the relevant and applicable laws such as the Protected Disclosure Act, as amended.

d) The following **minimum standards** have been adopted by the GLR with regard to the different components/areas of the business of the GLR:

- **Operations:** All operational activities across the organisation must be implemented in a systematic and cost effective manner to prevent fraudulent and corrupt tendencies taking root in the organisation;
- **Investigations:** Any investigation instituted within the organisation must be timely and within the ambit of set company procedures;
- **Awareness:** All employees must be aware of their responsibilities regarding fraud control and what constitutes acceptable behaviour;
- **Value driven:** All employees are expected to maintain absolute integrity in all their dealings carried out on behalf of the organisation and must accept responsibility and accountability for their actions;
- **Corporate Culture:** Management must demonstrate exceptional focus and attention to fostering an organisational environment where fraudulent and corrupt behaviour will be abhorred, while good moral behaviour is continuously promoted and recognised;
- **Protected Disclosures:** Persons and/or organisations that report suspected fraudulent and corrupt activity must be protected from occupational detriment;
- **Fraud Hotline:** A fraud hotline must be established which any person, including employees, members of the public and stakeholders, can contact to report suspected fraud and corruptible relationships, behaviour and activities.

e) In terms of reporting the incidents of fraud and corruption, all employees who are aware, or should have been reasonably aware of, or who suspect that theft or fraud or corruption is or was committed, should immediately report the incident to any manager or directly to the **Fraud Hotline** using the toll free number **086 132 3469**. The hotline is completely confidential.

f) The GLR has an approved Policy on Prevention of Fraud and Corruption, Whistle Blowers Policy and is currently developing the strategy document. The implementation plan is outlined in the table below:

No	Planned Action	Detailed Action	Outputs	Responsible Person	Due Date
1	Review of: <ul style="list-style-type: none"> <li>• Anti-Fraud &amp; Corruption Fraud Strategy and Fraud implementation Plan</li> <li>• Whistle blower policy</li> <li>• Prevention of Fraud &amp; Corruption Policy</li> </ul>	Workshop EXCO and adoption by EXCO	Adoption/ recommendation by the Audit & Risk Committee (ARC)	Risk Officer / Risk Manager	4 <sup>th</sup> Quarter of 2019/20

No	Planned Action	Detailed Action	Outputs	Responsible Person	Due Date
2	Identify and assess fraud risks	Workshop EXCO and adoption by EXCO	Adoption/ recommendation by the ARC	Risk Officer/ Risk Manager	1 <sup>st</sup> Quarter of 2020/21
3	Mitigation Plans for fraud risks	Workshop and adoption by EXCO	Adoption and recommendation by the ARC	Risk Officer/ Risk Manager	1 <sup>st</sup> Quarter of 2020/21
		Achievement of mitigation plans	Signed report submitted to Risk Officer/ Risk Manager	Division Head/ Executive Manager	Quarterly
4	Fraud awareness	Create awareness among employees through: <ul style="list-style-type: none"> <li>• Flyers</li> <li>• Workshops</li> <li>• Newsletter</li> <li>• Circular</li> <li>• Website</li> </ul>	Certificate of attendance	Risk Officer/ Risk Manager	Quarterly

## DEFINITIONS AND CRITERIA FOR RISK EVALUATION

### 12. DEFINITIONS

#### Impact

This is the potential magnitude of the impact on the organisation's operations should the risk/threat actually occur. This must be assessed on the basis that management have specific controls in place to address the risk/threat, i.e. without any controls in place, what will the impact of the risk be for Golden Leopard Resorts to achieve its strategic and major objectives.

#### The Probability of Occurrence

This is the likelihood that the identified risk/threat will occur within a specified period of time (between 1 and 3 years) on the basis that there are no controls in place to address the risk/threat.

#### Inherent Risk

Inherent risk is a product of impact and probability of occurrence. It is Golden Leopard Resort's assessed maximum risk exposure before the implementation of any specific controls to reduce such exposure to risk.

#### Residual Risk

This is the value of risk that Golden Leopard Resorts Group is exposed to after taking into account the **related controls** which currently are believed to be in place to manage that risk. Residual risk/exposure is therefore the difference between the assessed inherent risk and the related control effectiveness.

#### Control Environment

The control environment can be defined as "any action taken by management to enhance the likelihood that established objectives and goals will be achieved". Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved. This control is the result of proper planning, organising and directing by management.

#### Desired Control Effectiveness

Desired control effectiveness is the effective control that Golden Leopard Resorts Group is striving to achieve. This control effectiveness would enable Golden Leopard Resorts Group to reduce their risk exposure to the desired level.

### 13. CRITERIA FOR RISK EVALUATION

As detailed in Section 9, risks are rated on their combined likelihood and impact. The process in response to risks identified and rated can be summarised as follows:

Impact	Likelihood	Event magnitude	Event acceptability	Risk Profile	Propose actions
5	4-5	Maximum risk (Material and/or immediate threat exceeding risk appetite)	Unacceptable	If the risk profile falls in this area, the organisation will be in breach of risk tolerance	Take action to reduce the risk with highest priority, i.e. Executive Management to bring to the attention of the Chief Executive Officer and the Board of Directors
4	3	High risk (Threat to exceed the risk appetite)	Unacceptable	If risk profile falls in this area, the organisation will be in breach of risk appetite but within risk tolerance	Take action to reduce the risk with highest priority, i.e. bring to the attention of Executive Management. (Discretion in involving the Chief Executive Officer will be dictated by the event)
2-3	2	Low risk (No threat to exceed the risk appetite)	Acceptable	If risk profile falls in this area, the organisation will be within risk appetite	Take action to reduce the risk, i.e. inform direct Line Manager
1	1	Minimum risk (No threat to exceed the risk appetite)	Acceptable	If risk profile falls in this area, the organisation will be within risk appetite	No risk reduction required. Simply control, monitor and inform direct Line Manager

The table below illustrates a typical risk rating tool using the above criteria:

<b>IMPACT</b>	Catastrophic	5					
	Critical	4					
	Major	3					
	Significant	2					
	Negligible	1					
			1	2	3	4	5
			0-20%	21-40%	41-60%	60-80%	80-100%
			<b>LIKELIHOOD</b>				

# Annexure B

## *Financial Plan / Strategy*

*Financial management refers to the effective and efficient planning, organising, directing and controlling of financial activities, concerned with profitability, expenses, cash and credit so that the organisation may have the means to carry out its objectives as satisfactorily as possible. Financial management is generally concerned with short term working capital management, focusing on current assets and current liabilities.*

### **1) FINANCIAL RESOURCES AND SOURCES OF INCOME**

The GLR Group acquires the bulk of its revenue from accommodation, food and beverages. The aforementioned revenue streams represent a large share of the total revenue. This revenue is generated by local and international guests visiting the hospitality properties namely Manyane, Bakgatla, Madikwe River Lodge and Christiana All Seasons Resorts. GLR Group does not receive any equitable share allocation from the provincial government. These revenue resources would have been considered sustainable had it not been for legacy debts which have impacted heavily on the going concern.

Furthermore, GLR Group has the ability to expand its revenue targets through proper infrastructure, re-capitalisation and settling of legacy debts by the shareholder to retain its ability to create employment for members of its surrounding communities.

## 2) THE FINANCIAL PLAN

### 2.1 The Operating Statement:

Projected Statement of Financial Performance of the Golden Leopard Resorts for the Year ended 31 March 2022

STATEMENT OF COMPREHENSIVE INCOME							
Summary of revenue and expenses							
	2018/2019	2019/2020	2020/2021		2021/2022	2022/2023	2023/2024
	Audited Outcomes		Projected outcome	Main appropriation	Medium Term Expenditure Estimates		
R thousand							
Revenue							
Tax revenue	61,304,889	54,440,000	47,813,210		50,968,882	54,332,828	56,886,471
Non-tax revenue							
Sale of goods and services other than capital assets							
Of which:							
Admin fees	1,173	-	1,173		1,178	1,242	1,309
Sales by market establishments	-	-					
Other sales	792,700	13,889,000	18,483,740		19,333,992	20,223,356	21,173,853
Fines penalties and forfeits	-	-					
Interest	2,356,267	134,000	631,200		660,235	690,606	723,065
Miscellaneous/Sundry revenue	3,735,325	5,077,000	3,558,397		3,722,083	3,893,299	4,076,284
Governments Grants/Subsidies					-		
Dividends Received	5,000,000	4,000,000	5,520,000		6,072,000	6,351,312	6,649,824
Other Income	772,517	-	3,895,716		4,113,876	4,303,114	4,505,360
Transfer Received	-	50,000,000	-		-	-	-
Total revenue	74,962,871	127,540,000	79,903,436	-	84,872,246	89,795,757	94,016,166
Expenses							
Current expense							
Compensation of employees	44,616,994	38,340,000	44,974,565		47,493,141	52,242,455	57,466,701
Use of goods and services	11,743,434	8,116,000	9,589,369		10,040,069	9,195,258	8,359,326
Depreciation	12,108,022	10,943,000	8,207,250		9,027,975	9,443,262	9,887,095
Administration	6,961	-	-		-	-	-
Finance Costs	8,479,660	2,454,000	1,256,983		1,316,061	1,376,600	1,441,300
Lease Rentals	4,672,702	1,978,000	306,348		320,746	352,821	388,103
Debt Impairment	8,099,803	11,325,000	416,155		435,714	455,757	483,103
Repairs & Maintenance	1,914,344	-	1,896,323		1,985,450	2,076,781	1,922,945
General Expenses	25,841,831	26,145,000	13,156,542		13,774,900	14,408,545	13,356,987
Transfers and subsidies							
Total expenses	117,483,751	99,301,000	79,803,536		84,394,057	89,551,480	93,305,560
Surplus / (Deficit)	-42,520,880	28,239,000	99,900		478,189	244,277	710,606



## 2.2 The Balance Sheet

### Balance Sheet

Golden Leopard Resorts for the year ended 31 March 2022

STATEMENT OF FINANCIAL POSITION						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/2024
	Audited outcome		Projected outcome	Medium-term receipts estimate		
Carrying Value of Assets	287,352,466	286,659,000	311,053,020	342,158,322	376,374,154	354,911,101
Land	-	-	-	-	-	-
Property Plant & Equipment	192,787,302	179,862,000	197,848,200	217,633,020	239,396,322	217,633,020
Investment in Associates	94,533,392	104,610,000	110,886,600	121,975,260	134,172,786	134,172,786
Loans to economic entities	31,772	-	-	-	-	29,974
Biological Assets	-	2,187,000	2,318,220	2,550,042	2,805,046	3,075,321
Other Intangibles	-	-	-	-	-	-
Cash and Cash Equivalents	4,683,243	2,102,000	2,228,120	2,450,932	2,696,025	1,845,024
Bank	4,683,243	2,102,000	2,228,120	2,450,932	2,696,025	1,785,024
Cash on Hand	-	-	-	-	-	-
Other	-	-	-	-	-	60,000
Receivables and Prepayments	8,350,109	3,481,000	3,689,860	4,058,846	4,464,731	1,000,000
Trade Receivables	8,350,109	3,481,000	3,689,860	4,058,846	4,464,731	1,000,000
Other Receivables	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Accrued Income	-	-	-	-	-	-
Inventory	954,550	964,000	1,021,840	1,124,024	1,236,426	1,298,248
Trade	954,550	964,000	1,021,840	1,124,024	1,236,426	1,298,248
Other	-	-	-	-	-	-
Total Assets	301,340,368	293,206,000	317,992,840	349,792,124	384,771,336	359,054,373
Capital and Reserves	76,139,827	148,642,000	148,482,277	162,764,484	254,305,971	149,406,736
Share Capital and Premium	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Reserves	157,603,648	152,169,000	152,520,897	167,397,068	251,095,602	154,761,824
Accumulated Reserves	(86,463,821)	(8,527,000)	(9,038,620)	(9,632,584)	(1,789,631)	(10,355,088)
Non Current Liabilities	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Preference Shares	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Trade and Other Payables	205,200,541	124,564,000	149,510,563	167,027,640	110,465,365	41,788,145
Loans from economic entities	490,000	45,757,000	67,751,998	35,087,732	57,040,997	19,343,017
Provisions	27,926,478	274,000	4,056,932	-	-	-
Trade Payables	108,052,761	66,629,000	64,607,233	71,488,670	44,026,449	14,559,217
VAT Payable	12,250,861	7,558,000	8,313,800	6,794,600	5,434,330	3,106,047
Finance Lease Obligation	47,958,395	2,224,000	2,446,400	-	-	-
Provisions	4,679,523	2,122,000	2,334,200	2,816,619	3,318,009	4,319,400
Other Liabilities	3,842,523	-	-	50,840,019	645,580	460,464
Total Liabilities	301,340,368	293,206,000	317,992,840	349,792,124	384,771,336	211,194,881

## 2.3 Cash Flow Statements

### Statement of Cash Flows

Golden Leopard Resorts for the year ended 31 March 2022

STATEMENTS OF CASHFLOWS						
	2018/2019	2019/2020	2020/2021	2021/2022	2021/2022	2022/2023
R thousand	Audited outcome		Projected outcome	Medium-term receipts estimate		
Cash flow from operating activities	18,684,965	20,353,131	21,574,319	-10,902,287	-8,332,104	-5,285,279
Cash receipts from customers	69,132,066	69,132,066	73,279,990	80,607,989	88,668,788	97,535,667
Cash paid to suppliers and employees	-80,805,766	-80,805,766	-85,654,112	-94,219,523	-99,872,695	-105,865,056
Grants Received	27,802,771	29,470,937	31,239,193	-	-	-
Dividends Received	-	-	-	-	-	-
Other Income	2,555,894	2,555,894	2,709,248	2,709,248	2,871,802	3,044,111
Cash generated from operations	3,004,335	3,184,595	3,375,670	3,578,211	3,792,903	4,020,478
Interest income	117,195	124,226	131,680	139,581	147,956	156,833
Interest paid	-3,121,529	-3,308,821	-3,507,350	-3,717,791	-3,940,859	-4,177,310
Net Cash from operating activities	15,680,630	17,168,556	18,198,648	-14,480,497	-12,125,008	-9,305,756
Cash flow from investing activities						
Acquisition of Property Plant and Equipment	-13,011,319	-13,791,998	-14,619,518	-	-	-
Acquisition of Investment Property	-	-	-	-	-	-
Sale of Biological Assets	-	-	-	-	-	-
Sale of Property Plant and Equipment	-	-	-	-	-	-
Sale of Investment Property	-	-	-	-	-	-
Sale of Associates	-	-	-	-	-	-
Other Cashflows from investing activities	487,628	516,885	547,898	-	-	-
Net Cash flow from investing activities	-12,523,691	-13,275,113	-14,071,619	-	-	-
Cash flow from financing activities						
Shareholders Loan	-	-	-	-	-	-
Finance Lease Payments	21,200,000	22,472,000	23,820,320	-	-	-
Movement in advanced deposits	4,697,140	4,978,968	5,277,706	501,389	501,390	1,001,391
Movement in debtors	3,702,795	3,924,963	4,160,461	200,000	150,000	100,000
Other non-cash item	-	-	-	-	-	-
Net Cash flow from financing activities	29,599,935	31,375,931	33,258,487	701,389	651,390	1,101,391
Total cash movement for the year	32,756,874	35,269,355	37,385,516	-13,779,108	-11,473,618	-8,204,365
Cash at the beginning of the year	2,122,101	2,122,101	2,122,101	37,491,456	23,712,347	12,238,730
Total cash at the end of the year	34,978,975	37,491,456	39,607,617	23,712,347	12,238,730	4,034,365
The R50m Capex budget has been removed due to unavailability of funds.						
The R50m grant assistance has been added to the cashflow						

## 2.4 Capital expenditure programmes

### Capital Expenditure Statement

	Audited Outcome			Projected Outcome	Medium-Term Expenditure Framework		
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
<b>Payments for capital assets</b>	<b>349,829</b>	<b>376,646</b>	<b>776,676</b>	<b>35,000,000</b>	<b>10,750,000</b>	<b>10,000,000</b>	<b>15,067</b>
Leasehold Improvements	-	-	545,362	35,000,000	10,750,000	10,000,000	2,700
Motor Vehicle	-	-	-	-	-	-	2,000
Machinery and equipment	256,321	125,632	97,563	-	-	-	987
Computer Equipment	-	26,356	19,785	-	-	-	2,000
Furniture and Fixtures	78,945	78,965	56,982	-	-	-	
Office Equipment	14,563	145,693	56,983	-	-	-	
Biological Assets	-	-	-	-	-	-	7,380

## 2.5 Dividend Policies

No dividend policy applicable.

### 12) The Borrowing Plan

The Golden Leopard Resorts SOC Ltd does not have a Borrowing Plan for the 2021/2022 financial year.

### 13) Materiality & Significance Framework

#### a) Background

Treasury Regulation Section 28.3.1 – “For purposes of material [sections 55(2) of the Public Finance Management Act (PFMA)] and significant [section 54(2) of the PFMA], the accounting authority must develop and agree on a framework of acceptable levels of materiality and significance with the relevant executive authority.

The purpose of this document is to record the level and reasoning for the suggested levels of materiality and significance for consideration by the Board of GLR and for submission to and approval by the executive authority.

ISA 320.03 defines materiality as follows: “Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point, rather than being a primary qualitative characteristic which information must have if it is to be useful.”

Accordingly we will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

## Quantitative Aspects

### Materiality level for consideration:

The GLR Group will use 1% of total assets to determine materiality. In determining the materiality value as 1% we have considered the following factors:

#### ➤ Nature of the GLR business

GLR is a Government Business enterprise registered as a schedule 3D public entity in terms of the PFMA. The GLR Group was established to develop and promote tourist resorts in the Republic of South Africa. In the main, the revenue generated is used to finance the expenditure of the organisation.

#### ➤ Statutory requirements

As a schedule 3D public entity, the GLR is subject to requirement of the PFMA, Treasury regulation and the Companies Act.

#### ➤ The control and inherent risks associated with the GLR.

In assessing the control risk of the GLR, and concluding on a materiality level of 1% based on a good control environment being present, cognisance was given to, among others:

- ◆ Proper and appropriate governance structures have been established;
- ◆ An Audit and Risk Committee that closely monitors the control environment of the GLR, has been established;
- ◆ The function of internal audit was outsourced to a firm that is independent and has appropriate experience;
- ◆ A three year internal audit plan, based on annual risk assessments being performed, is annually reviewed and agreed by the audit committee;
- ◆ The function of financial management is under the control of experienced and qualified individuals with the assistance of an independent and experienced firm of auditors;
- ◆ The entity obtained a qualified opinion in the prior year audit.

## b) Qualitative Aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Obviously, misstatements that are large either individually or in the aggregate may affect a “reasonable” user’s judgement. However, misstatements may also be material on qualitative grounds. These qualitative grounds include, among others:

- Irregular and fruitless expenditure
- Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to the nature thereof; e.g. related party transactions to subsidiaries.
- Transactions entered into that could result in reputational risk.

- Any fraudulent or dishonest behaviour of an officer or staff of GLR
- Any infringement of GLR Group's agreed QMS performance levels.
- Procedures/processes required by legislation or regulation (e.g. PFMA and the Treasury Regulations)

### c) Statutory Application

#### Section 55(2)

<p>The annual report and financial statements ... must -</p> <p>(b) include particulars of –</p> <p>(i) any <b>material</b> losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;</p>	<p>Both quantitative and qualitative aspects as referred to in sections 2.1 and 3, define materiality for purposes of losses through criminal conduct. All losses relating to irregular and fruitless and wasteful expenditure are regarded as material due to the application of the nature of these losses (qualitative aspects).</p>
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#### Section 54(2)

##### Information to be submitted by accounting authorities

(1) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction	Specific level of significance defined per subsection
(a) establishment or participation in the establishment of a company;	Any transaction to establish a company
(a) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement	Where participation exceeds 20% of voting rights
(b) acquisition or disposal of a significant shareholding in a company	Any transaction to acquire or dispose of shareholding in a company
(c) acquisition or disposal of a significant asset	The cost of the asset acquired or disposed exceeds 15% of the total cost of assets
(d) commencement or cessation of a significant business activity; and	Any transaction where the income from or the investment in the business activity exceeds the amount determined in section 2.1 and section 3.
(e) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	Where the change in the interest results in a change in the accounting treatment of the arrangement.

# Annexure C

## *Environmental Plan*

*To provide a framework that structures and prioritises any environmental risks that are relevant to the organisation, ensuring compliance with regulatory authority stipulations and guidelines, responding to unforeseen events and providing feedback for continual improvement in environmental performance.*

### **1) The Environmental Plan**

- a) GLR adheres to environmental management principles of the National Environmental Management Act no 107 of 1998 (NEMA) that places people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural and social interests equitably.
- b) Development will be socially, environmentally and economically sustainable considering all relevant factors including the following:
- c) The disturbance of ecosystems and loss of biological diversity are avoided, or, where they cannot be altogether avoided, are minimised and remedied in terms of pollution and degradation, disturbance of landscapes and sites that constitute the nation's cultural heritage, waste, and usage and exploitation of non-renewable natural resources. This is done in a responsible and equitable manner, and takes into account the consequences of the depletion of the resource.
- d) A risk-averse and cautious approach is applied, which takes into account the limits of current knowledge about the consequences of decisions and actions; and negative impacts on the environment and on people's environmental rights is anticipated and prevented or remedied.
- e) Environmental management is integrated and acknowledges that all elements of the environment are linked and interrelated; therefore best practice environmental options are pursued.
- f) Environmental justice is pursued so that adverse environmental impacts shall not be distributed in such a manner as to unfairly discriminate against any person, particularly vulnerable and disadvantaged persons.
- g) Equitable access to environmental resources, benefits and services to meet basic human needs and ensure human well-being, must be pursued and special measures may be taken to ensure access thereto by categories of persons disadvantaged by unfair discrimination.

- h) Responsibility for the environmental health and safety consequences of a policy, programme, project, product, process, service or activity exists throughout its life cycle.
- i) The participation of all interested and affected parties in environmental governance is promoted, and all people must have the opportunity to develop the understanding, skills and capacity necessary for achieving equitable and effective participation, while participation by vulnerable and disadvantaged persons must be ensured.
- j) The vital role of women and youth in environmental management and development is recognised.
- k) The environmental impact plan:
  - Identifies mechanisms to monitor and upgrade the continuous development and upgrading of the physical environment within which the entity operates.
  - Implements measures to adhere to and prepares plans to guide the entity to comply with environmental legislation and regulation affecting the entity.
  - Supplies information regarding the entity's contribution to the advancement of a healthy, safe and sound environment.
- l) The plan will form part of the shareholder's compact and is included in the corporate plan to ensure that all aspects of the environment in which the entity operates have been considered.

# Annexure D

## *Marketing Strategy*

*Marketing and communications is the strategy used by a company or individual to reach their target market through various types of communication. It includes the message (what is to be said), the medium (where it is to be said), and the target audience (whom the message is reaching).*

### **1. OBJECTIVE**

The marketing department is responsible for building the brand of Golden Leopard Resorts Group within the hospitality industry. Marketing is an investment that generates revenue, profit and opportunity for growth. It is a process of developing and communicating value to prospects and customers. Marketing strategies drive revenue, profitability, customer satisfaction, retention and loyalty. The marketing objectives of GLR are:

- To continuously broaden our customer database by obtaining new information on customer characteristics and needs.
- Cross sell what we have
- Reservations and Front Office to record the demographics (design a questionnaire and apply)
- Attract and retain local & international guests
- To be a recognised brand globally

### **2. VISION**

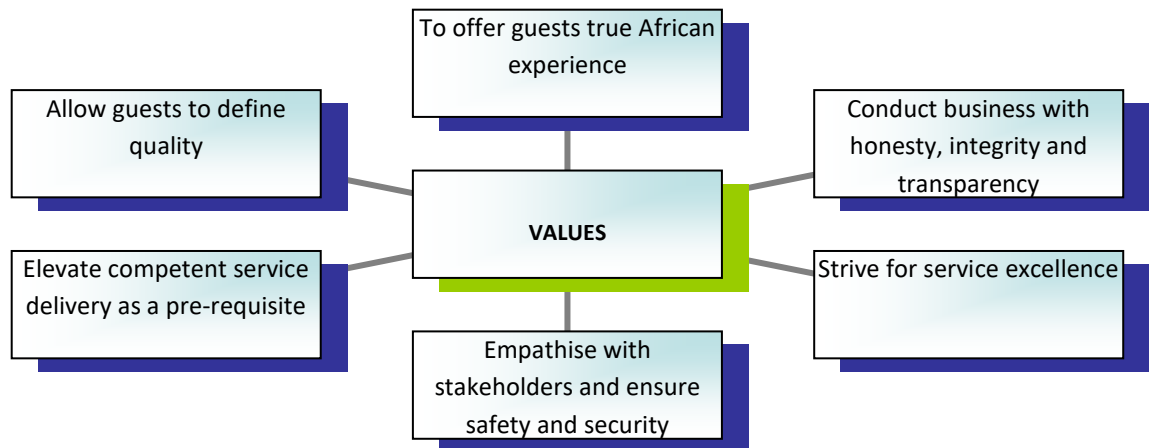
To be a preferred tourism destination in the North West Province.

### **3. MISSION**

To grow the business by maximising profitably through participation in tourism trade shows, exhibitions, internet, radio campaigns, social media as well as print and digital publications.



#### 4. VALUES



#### 5. TARGET MARKETS: WHO ARE OUR CUSTOMERS

The GLR Group have a diverse range of properties. Therefore when planning campaigns it is important to consider the time of year to ensure maximum exposure to the following for each of the market segments:

- Corporates
- Private Conference Organisers (PCOs) & Event Companies
- In and Outbound Tour Operators
- Regional & Domestic Leisure
- Government – National, Provincial and Local spheres
- Weddings / Honeymooners
- Sporting Groups
- Schools
- Local Communities
- NGOs

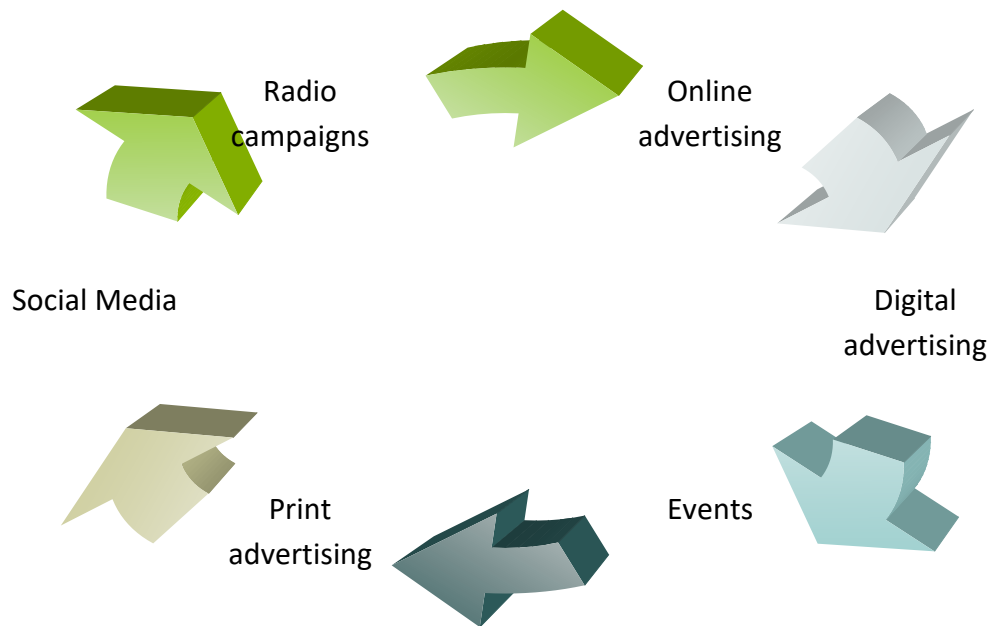
#### 6. STRATEGIC OVERVIEW

The GLR Group is a resorts and lodges company.

Marketing forms an integral part of the organisation and offers sales & marketing and brand support to GL Resorts and lodges.

The target market varies due to the nature of the resorts and lodges and their location.

GL Resorts Group will be implementing the business turnaround plan, with three main pillars which is risk, capacity and sustainability. The 2021/2022 initiatives will be conducted through varied activities and marketing mediums which are:



The Marketing department has spent a great deal of time strategically planning the marketing calendar for 2021/2022. It has planned specific events throughout the year to help drive brand awareness and support the resorts and lodges in reaching their individual budgets. The plan is responsive to the Corporate Plan:

- To increase operation revenues, eliminate duplication of costs and enhance the overall balance sheet value of the Group. This includes implementing cost-saving measures and thereby maximising revenue streams;
- To increase the Group's product portfolio through strategic investment in tourism growth areas in the North West Province;
- To bring into the main stream community participation on the periphery of the GLR operations through corporate social investment interventions; and
- To reposition the GLR Group as a primary driver of tourism in the North West Province.

## 7. BRAND PORTFOLIO

The GLR Group has a range of products that caters for tourist needs, ranging from families to the most adventurous tourists.

### 7.1 Brand Differentiation

The GLR brands are categorised and differentiated according to the experience on offer and according to their type.

This is done to create brand specific marketing communication products that are attractive to tourist segments as per Tourism SA. This differentiation also positions the brand as the premier option in the markets, as it caters for all segments.

The strength of the GLR brand and its brand presence in the various market segments is essential to the success of growing the portfolio.

Brand Name	Type of Venue								Brand Type			
	CHALETS	CARAVAN	CAMPING	SAFARI TENTS	CONFERENCE	WEDDINGS	KEMONATE	ROOMS	ADVENTURE	CORPORATE	SOCIAL	SCHOOL EDU
Manyane Resort	✖	✖	✖	✖	✖	✖	✖		✖	✖	✖	✖
Bakgatla Resort	✖	✖	✖		✖	✖	✖		✖	✖	✖	✖
Cookes Lake	✖				✖	✖			✖	✖	✖	
Madikwe River Lodge								✖	✖			
Christiana All Seasons Resort		✖	✖		✖	✖		✖			✖	

## 7.2 Unique selling prepositions per Property

<b>Manyane Resort</b>	<ul style="list-style-type: none"> <li>Location in malaria-free park;</li> <li>Resort with camping/caravan sites in the Pilanesberg;</li> <li>Affordable packages; and</li> <li>Diverse accommodation</li> </ul>
<b>Bakgatla Resort</b>	<ul style="list-style-type: none"> <li>Location in malaria-free park;</li> <li>Resort with camping/caravan sites in the Pilanesberg;</li> <li>Affordable packages; and</li> <li>Diverse accommodation</li> </ul>
<b>Cookes Lake</b>	<ul style="list-style-type: none"> <li>Location and lake; and</li> <li>Nature and birding</li> </ul>
<b>Christiana All Seasons Resort</b>	<ul style="list-style-type: none"> <li>Location closer to the Big Hole ( Kimberly)</li> <li>Affordable packages</li> <li>Nature and birding</li> </ul>
<b>Madikwe River Lodge</b>	<ul style="list-style-type: none"> <li>The oldest and affordable among all the lodges in Madikwe; and</li> <li>Location in malaria-free park</li> </ul>

## 8. WEBSITE OVERVIEW

### 8.1 Key Performance Objectives

- Increase bookings into the resorts and lodges directly through the group website which will alleviate pressure from central reservations.
- Marketing anticipates that by the end of 2020/21, website revenue would have increased drastically.

- Guests will want to revisit the website due to its ease of use.
- The website aims to predominantly attract the leisure market.
- Turnaround time on changes to the website will be instant as a result of being managed by the marketing department.

## 8.2 Internal (to guests) Marketing

The marketing department's focus is to improve communication with guests. It will also enable this level of communication throughout the group. Weekly PR releases will be sent out to the guests.

## 8.3 Key Strategies

- To implement a Google AdWords campaign.
- The marketing department will implement their online strategy, with advertising and events schedules completed.

## 8.4 What's New

- The new website will be a booking portal as opposed to a standard website with basic information
- Information on the website will be easily accessible - far more user-friendly – whereby user experience is simplified
- Implementation of any changes can be done immediately without a cost, saving money and time.
- Special offers easily accessible

# 9. COMPETITOR ANALYSIS

## 9.1 Bakgatla and Manyane Resorts:

Name of the Resort	Type of Accommodation	Rating	Amenities / Service offered	Number of Rooms
Valley View Guesthouse	B&B Guesthouse	***	<ul style="list-style-type: none"> <li>• Spa</li> <li>• Gym</li> </ul>	15
Shepard's Tree Game Lodge	Lodge	****	<ul style="list-style-type: none"> <li>• Swimming Pool</li> <li>• Spa</li> <li>• Conference Centre</li> </ul>	26 Rooms 13 Suites 4 Family Suites
Pilanesberg Private Lodge	Lodge	****	<ul style="list-style-type: none"> <li>• No information</li> </ul>	5
Selous Bush Camp	Tented	N/A	<ul style="list-style-type: none"> <li>• Swimming Pool</li> </ul>	12 Tents
Bakubung Lodge	Hotel	****	<ul style="list-style-type: none"> <li>• Conferencing</li> </ul>	76

Name of the Resort	Type of Accommodation	Rating	Amenities / Service offered	Number of Rooms
			<ul style="list-style-type: none"> <li>• Swimming Pool</li> <li>• Tennis court</li> <li>• Volleyball</li> </ul>	
Tambuti Lodge	Lodge	N/A	• No information	5 Suites
Tshukudu Bush Lodge	Lodge	N/A	• Swimming Pool	14 Chalets
Ivory Tree Game Lodge	Lodge	*****	<ul style="list-style-type: none"> <li>• Swimming Pool</li> <li>• Spa</li> <li>• Conference Centre</li> </ul>	64
Morokolo Game Lodge	Lodge	N/A	• Swimming Pool	4 Suites
Black Rhino Lodge	Lodge	N/A	• Swimming Pool	14

## 9.2 Madikwe River Lodge:

Name of the Resort	Type of Accommodation	Rating	Amenities / Service offered	Number of Rooms
<b>Madikwe River Lodge</b>	Lodge	***	<ul style="list-style-type: none"> <li>• Boma</li> <li>• Game drives</li> <li>• Lounge</li> <li>• Mini Bars</li> <li>• Small area that can be used for meetings</li> <li>• Airstrip</li> <li>• Secure parking</li> </ul>	3 Double rooms 6 Family rooms 6 Twin rooms 1 Suite
<b>Mateya Safari Lodge</b>	Luxury Villas	*****	• No information	16 Rooms
<b>Mosetlha Bush Camp</b>	Cabin/Camp ground	*****	• No information	5 Suites
<b>Jamala Madikwe</b>	Luxury Villas	*****	<ul style="list-style-type: none"> <li>• Spa</li> <li>• Game drives</li> </ul>	8 Rooms
<b>Tuningi Safari Lodge</b>	Luxury Villas	*****	• Swimming pool	5 Suites
<b>Rhulani Safari Lodge</b>	Lodge	*****	<ul style="list-style-type: none"> <li>• Internet</li> <li>• Swimming pool</li> </ul>	4 Suites 2 Family suites
<b>Thakadu River Camp</b>	Cabin/Camp ground	*****	• Swimming pool	4 Suites
<b>Jacis Tree Lodge</b>	Lodge	*****	<ul style="list-style-type: none"> <li>• Swimming pool</li> <li>• Plunge pool at suites</li> <li>• Game drives</li> </ul>	8 Rooms 12 Tented suites

### 9.3 Christiana All Seasons Resort:

Name of the Resort	Type of Accommodation	Rating	Amenities / Service offered	Number of Rooms	Average Rates
Vaal De Vue Guest House	Lodge	***	<ul style="list-style-type: none"><li>• Paddle Boats</li><li>• Fishing</li><li>• Indian Boats</li><li>• Swimming Pool</li></ul>	20 Rooms 3 x Guest Houses in the area	R 900.00
ASSAM'e@Oppi River Lodge	Lodge	***	<ul style="list-style-type: none"><li>• Swimming Pool</li><li>• Fishing</li><li>• Barbeque facilities</li><li>• Darts</li></ul>	10 Rooms Caravan Park	R 600.00
Riverside Guest House	Lodge	****	<ul style="list-style-type: none"><li>• Outdoor Fire place</li><li>• Swimming Pool</li><li>• Horse riding</li></ul>	14 Rooms	R 800.00

## 10. SALES & MARKETING PLAN

### 10.1 Purpose

The purpose is to develop a plan for the Sales & Marketing department of GLR, to analyse which markets are accessible to us and to define our target markets per resort.

### 10.2 Introduction

- GLR Group's strategic plan is to make changes within its sales and marketing structures to take advantage of the ever-changing marketing environment.
- Through our strategic marketing, sales will continue to service traditional markets of Inbound Tourism, Incentive Groups, Group Conventions, Domestic Leisure, Government and Corporate Travel. The Group can look forward to presenting exciting packages by combining our diverse portfolio of Resorts.
- Apart from our traditional marketing activities, one of our main focus areas for coming years will be digital marketing. Public relations will continue to play an important role and strive to find interesting facts and stories about our exceptional properties' guests and staff.

### 10.3 SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>Consistent flow of enquiries/leads</li> <li>Strong trade show presence</li> <li>Flexible pricing and quick response to enquiries</li> </ul>	<ul style="list-style-type: none"> <li>Poor IT environment</li> <li>Limited capacity</li> <li>Reactive sales strategy</li> <li>Limited social media presence</li> <li>Pay as you go marketing</li> <li>Delay in executing planned activities</li> <li>Lack of cohesion</li> </ul>	<ul style="list-style-type: none"> <li>Integrated sales and marketing systems</li> <li>Brand awareness campaigns</li> <li>Viral marketing programmes</li> <li>Focus the GLR budget on priority programmes that drives revenue</li> <li>Strategic alliance with third party websites</li> <li>Creation of new markets</li> <li>Revised tariff structure</li> <li>Growing brand</li> </ul>	<ul style="list-style-type: none"> <li>Competition from neighbouring resorts and lodges</li> <li>Market and sales systems not synergised</li> <li>Vulnerable customer base if there is no brand messaging</li> <li>Negative perception in the market</li> <li>Unilateral decisions by stakeholders that affect the GLR business</li> <li>Covid 19 Pandemic</li> </ul>

### 10.4 Marketing of the GLR Brand

<b>Objective</b>	To expand the GLR Brand within the North West Province.
	To create an awareness of the GLR among potential investors outside of the North West Province.
<b>Principles</b>	a) All communication that reaches internal and external audiences shapes the perception about the GLR and thus establishes a Corporate Identity. The principle is that all marketing material and promotional events must reflect and communicate the commitment and to assist business development in support of economic growth in the North West Province
	b) Consistent, uniform and Corporate Signage must be used as far as possible
<b>Requirements/Conditions PROMOTION ACTIVITIES</b>	Planning for promotional activities must provide for the following: <ul style="list-style-type: none"> <li>Branding</li> <li>Promotion message must be linked to the GLR Corporate Plan</li> <li>Desired Impact</li> <li>Desired Audience</li> <li>Promotional media and promotional Items</li> <li>Timeframe</li> <li>Cost</li> <li>Contact details of appropriately briefed GLR employees</li> </ul>
	Promotion activities must convey the developmental role of the GLR in context of: <ul style="list-style-type: none"> <li>Resorts Support</li> <li>Properties Promotion</li> <li>Tariff benchmarking</li> <li>Industry best practise</li> </ul>
	All promotional materials produced must comply with the following: <ul style="list-style-type: none"> <li>Clarity, simplicity, consistency in order to be understood and accessible by the audience.</li> </ul>

	<ul style="list-style-type: none"> <li>• Reflect values and positive image of GLR</li> <li>• Be sensitive to the audience nuances and avoid stereotypes whilst acknowledging diversity</li> </ul>
<b>Requirements/Conditions GLR LOGO</b>	<ul style="list-style-type: none"> <li>• The GLR logo may not be modified or altered in any way.</li> <li>• The GLR logo may only be furnished to external agencies and service providers by Sales &amp; Marketing in order to ensure correct resolutions and formats.</li> <li>• The GLR logo, when used for purposes of co-branding with other entities must be of similar size of any other logo used.</li> </ul>

## 10.5 Marketing Communication

<b>Objective</b>	The objective of Marketing & Communication is to regulate information flow within, into, and from the GLR in a manner supportive to the GLR's Corporate Plan and Mandate.
<b>Principles</b>	<p>a) The Marketing &amp; Communication Procedure sets key communication themes, including the objectives and operational principles.</p> <p>b) Management co-ordinates roles &amp; responsibilities of GLR employees and facilitate the effective flow of communication which must be implemented in congruence with the Corporate Plan.</p> <p>c) Professional ethics in respect of interpretation, analysis, dissemination and use of information must be maintained at all times.</p> <p>d) Meaningful and reciprocal communication must be pursued and encouraged with respect to all stakeholders.</p>
<b>Requirements/Conditions</b>	<p>Communications may conduct industry specific scans at annual (or other) intervals to inform the GLR of mandate-impacting within its operating environment, and to communicate these issues to the Executive Management of the GLR.</p> <p>Communication must coordinate and facilitate the identified issues that present potential reputational risks to the GLR Executive Management.</p>
<b>Requirements/Conditions INTERNAL DIALOGUE</b>	<p>Every employee has the right to, without fear of victimisation, limitation of opportunity, express in a responsible manner opinion, seek, receive and impart information and ideas within the parameters of GLR governance, protocols, and employment contracts.</p> <p>All information sought and distributed within and outside the GLR by authorised employees on behalf of the GLR must:</p> <ul style="list-style-type: none"> <li>• relate to the business of the GLR</li> <li>• be factual</li> <li>• not unfairly damaging and prejudicial to the GLR, individuals and groups within the GLR</li> <li>• Be non-propagandist</li> <li>• Not advocate and/or incite discrimination, hostility, racism, and/or ethnicity</li> </ul>
<b>Requirements/Conditions ACCESS TO INFORMATION</b>	Subject to the GLR governance and protocols, every employee will have access to information contained in documents and records of the GLR insofar as such information has a direct bearing on the well-being and interests of the requesting employee at an operational level.
<b>Requirements/Conditions EXTERNAL COMMUNICATION</b>	<p>a) Information disseminated to the GLR's stakeholders should be supportive of and promote the interest of the GLR, its mandate, vision and values as well as its policies/procedures.</p> <p>b) Inbound information received by any party within the GLR shall have been meant for that party or parties in their capacities as employees of the GLR. If not, such information must, without delay or disclosure to third parties, be passed on to the intended recipient.</p> <p>c) The receiving employee must ensure that all information received from external</p>



	sources by any party within the GLR, be verified for authenticity, accuracy and desirability before dissemination within and/or outside the GLR.
<b>Requirements/Conditions MANAGEMENT AND COORDINATION</b>	<p>a) The Chief Executive Officer (<b>CEO</b>) is the Information Officer (IO) of the GLR and therefore its principal spokesperson as required by the Public Access to Information Act (PAIA).</p> <p>b) The CEO may, from time to time appoint subject spokesperson/s in accordance with the specific needs of the GLR, and/or specialised communication contents/knowledge requirements of the GLR stakeholders.</p> <p>c) The CEO may delegate information and communication roles to various levels within the GLR</p>
<b>Requirements/Conditions ROLES AND RESPONSIBILITIES</b>	<p>The CEO, as the principal spokesperson is accountable to communicate to the stakeholders the following:</p> <ul style="list-style-type: none"> <li>• The decisions, priorities and policy/procedure issues as articulated by the Board of Directors and the Management of the GLR</li> <li>• The strategy, policies/procedures and goals of the GLR</li> <li>• Strategic areas of the GLR's Corporate Plan</li> <li>• Issues of sensitive and strategic nature that only the CEO can communicate</li> </ul>
<b>Requirements/Conditions MARKETING &amp; COMMUNICATION ACTIVITIES</b>	<p>Marketing &amp; Communication is responsible for and coordinates the following communication activities:</p> <ul style="list-style-type: none"> <li>• Packaging and dissemination of corporate public information, promotional and public relations activities of the GLR</li> <li>• GLR projects, events and programme information</li> <li>• Provides advice and support to communication activities of the GLR</li> <li>• Prepares and produces information materials for general and specific strategic audiences,</li> <li>• Utilise existing and develop new media/communications platforms</li> <li>• Provides guidance and support in the preparation and production of information materials</li> <li>• Ensures that all GLR communication and information media meet professional standards that reflect a consistent and identifiable corporate image in compliance with the Corporate Plan.</li> <li>• Responsible for planning and executing communication campaigns encompassing all media and information channels</li> <li>• Ensure that all communication and information dissemination reflects key messages that promote the Corporate Plan priorities and the strategic agenda of GLR</li> </ul>
<b>Requirements/Conditions STAKEHOLDER PROTOCOL</b>	<p>All opinions on any GLR, National and the North West Provincial Government policies, procedures, processes and practices, solicited and unsolicited, expressed by any employee, will be subject to the communication procedure and the employment contract between employees and the GLR.</p> <p>Managers will, in consultation with Marketing and Communication, ensure that:</p> <ul style="list-style-type: none"> <li>• stakeholder communication forms an integral part of business plans and initiatives</li> <li>• views and needs of all stakeholders are assessed and responded to at all stages of all initiatives</li> <li>• all communication and information to stakeholders reflect key strategic messages of GLR</li> </ul>
<b>Requirements/Conditions COPYRIGHT, LICENSING AND INTELLECTUAL PROPERTY</b>	All copy, text, content and symbols disseminated under/in the name of the GLR will adhere and be subjected to the South African laws with regards to copyrights, licensing and intellectual property

<b>Requirements/Conditions</b> <b>CRISIS COMMUNICATION</b>	<ul style="list-style-type: none"> <li>• Marketing &amp; Communication is responsible for coordination of a crisis communication plan</li> <li>• In an event of a crisis, the CEO, together with his Executive team comprising of the Corporate Services Manager, Marketing &amp; Communications Manager and the Communications Specialist will facilitate a multi-disciplinary task team consisting of various relevant stakeholders who have a role to play in the handling of the crises.</li> <li>• In an event of a crisis and on the basis of its scale, Marketing &amp; Communications must facilitate the briefing of the Chief Executive Officer on a daily basis (or at the frequency reflecting the scale of the situation), on all issues, including the remedial steps being taken to mitigate the crisis.</li> </ul>
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## 10.6 Corporate Image Management among Stakeholders

<b>Objective</b>	To provide consistent and accurate information to all stakeholders in order to maintain and improve the Corporate Image of the GLR
<b>Principles</b>	The various categories of stakeholders must be acknowledged as follows: <ul style="list-style-type: none"> <li>• The Public Sector</li> <li>• The Government of the North West Province (Refer to the PGDS)</li> <li>• The Political Leadership</li> <li>• Industrialists</li> <li>• Business/Trade</li> <li>• SMME</li> <li>• Organised Business</li> <li>• Business Support Entities (Banks, DBSA, etc.)</li> <li>• North West Urban &amp; Rural Communities</li> <li>• Suppliers and Contractors</li> <li>• Clients</li> <li>• Media</li> <li>• GLR Board of Directors</li> <li>• GLR Employees</li> </ul>
	Stakeholder groups must be analysed in terms of their: <ul style="list-style-type: none"> <li>• Economic role</li> <li>• Social role</li> <li>• Public role (political)</li> <li>• Information needs with respect to GLR's economic role and mandate</li> </ul>
	Protocol <ul style="list-style-type: none"> <li>• Marketing &amp; Communication protocol must be observed at all times</li> </ul>
<b>Requirements/Conditions</b>	The Chief Executive Officer is accountable for Stakeholder Information  Marketing & Communications must assist and advise CEO with respect to: <ul style="list-style-type: none"> <li>• Opportunities for enhancement of GLR Corporate Image</li> </ul>

	<ul style="list-style-type: none"> <li>• Threats to the GLR Corporate Image which need to be responded to</li> <li>• Screening of any external stakeholder communication</li> </ul>
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## 10.7 Corporate Social Responsibility

<b>Objective</b>	To visibly demonstrate the GLR values & portray the Batho Pele Principles
<b>Principles</b>	<ul style="list-style-type: none"> <li>a) Marginalised groups must be targeted (Youth, Disabled, Aged, Women) etc.</li> <li>b) Benefit of Corporate Social Responsibility must accrue to society</li> <li>c) Corporate Social Responsibility Outreach may not create or constitute a dependency upon GLR</li> <li>d) Beneficiaries should reside within the GLR area of jurisdiction</li> </ul>
<b>Requirements/ Conditions</b>	<ul style="list-style-type: none"> <li>a) In the event of monetary assistance – such assistance may only be made in instances where there is a bank account that is opened to public scrutiny; a receipt must be obtained where possible</li> <li>b) In the instance of a donation of any goods, proof must be submitted of receipt hereof (i.e. photographs, emails etc.)</li> <li>c) Corporate Social Responsibility assistance may only be considered after budgetary allocation for this purpose has been confirmed.</li> <li>d) Appropriate promotional material must be displayed/accompany any Corporate Social Responsibility Programme</li> </ul>

## 11. SUPPORT IS PROVIDED AS FOLLOWS:

CHANNEL	POST FREQUENCY & ACTIVITY
<b>Facebook</b>	<ul style="list-style-type: none"> <li>• 1 post per day</li> <li>• Content planning and posting to page</li> <li>• Monitoring of Facebook page for comments and interaction</li> <li>• Responding to complaints, queries received on the page.</li> <li>• Monthly reporting on activity.</li> <li>• 1 x free BASIC competition application per month which collects names, cell phone numbers and email addresses towards database building. (Custom built apps are available at an additional fee to be quoted as required.)</li> <li>• Monthly Advertising Pay Per Click – includes setup, activation, monitoring, reporting.</li> </ul>
<b>Twitter</b>	<p><b>Basic Twitter Support:</b> Basic Twitter service of Facebook pull through and monitoring of tweets, responding to tweets is provided at no additional cost.</p> <p><b>Advanced Twitter Support:</b> 5 Tweets per day 2 Re-tweet per day Content planning and posting. Responding, monitoring, reporting.</p>
<b>LinkedIn</b>	Posting of press releases to Company Profile on LinkedIn.
<b>YouTube</b>	<ul style="list-style-type: none"> <li>• Social Inbox has updated the YouTube Channel and connected relevant videos and created property channels.</li> <li>• YouTube is the second largest search engine in the world. GLR needs to focus on generating more video content that can be added to this channel.</li> </ul>

**Google +**

- Monitoring of responses and user interactions and queries.
- Adding users to Google circles

# Annexure E

## Employment Equity Strategy

*The purpose of the Employment Equity Plan is to enable the employer to achieve reasonable progress towards employment equity to assist in eliminating unfair discrimination in the workplace, and to achieve equitable representation of employees from designated groups by means of affirmative action measures. It must clearly set out the steps that the employer plans to follow to achieve these objectives.*

### 1. FORMAL STATEMENT OF COMMITMENT

Golden Leopard Resorts (GLR) takes its obligation seriously and there is a plan that has been designed to demonstrate its commitment to employment equity and diversity among its employees within an economically viable environment.

In developing the EE targets, the national and regional statistics for the economically active population (EAP) as supplied by Statistics South Africa will be taken into account.

*Provincial Economically Active Population (EAP) by population group/race and gender (15 to 64 years):*

NORTH WEST	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
	53.9%	0.7 %	0.5%	3.1%	37.8%	0.6%	0.2%	3.2%	

**Source:** Stats SA 2021/2022

These figures are subject to review as and when updated statistics are released by Stats SA.

### 2. EMPLOYMENT EQUITY TRANSFORMATION PROCESS

The purpose of the plan is to identify and set measures for:

- Eliminating any discrimination
- Dismantling barriers to Employment Equity
- Achieving representation of designated groups

### 3. EMPLOYMENT EQUITY COMMUNICATION STRATEGY

Communication has been identified as one of the success factors in achieving Employment Equity in the workplace. Its intention is to make employees and other stakeholders aware of the content and application of the EEA. It is envisaged that the process of structured

communication will prepare stakeholders for their effective participation and meaningful contribution to the EE process.

The communication strategy consists of the following components:

- Stakeholder meetings
- Internal newsletter
- Posters
- Electronic communication
- Notice boards
- Display of EEA summary (EEA3) in strategic locations

#### 4. CONSULTATION

GLR shall take reasonable steps to consult and reach agreement on all matters of consultation as contemplated in section 17 of the EEA. The parties to consult shall be:

- Representative trade unions (PSA and SACCAWU)
- Employees or their nominated representatives
- GLR management
- HR functional line services – facilitation role

The nominated employee representatives shall reflect the interests of the following workforce groupings:

- Employees from designated groups
- Employees who are not from designated groups
- Unionised employees
- Non-unionised employees
- People with disabilities

**Table: Consultative Structures**

The following stakeholders are recognised for various consultation purposes	Aspects included in the consultation process	Process Management
<ul style="list-style-type: none"> <li>• GLR Employment Equity Committees</li> <li>• Social &amp; Ethics Committee</li> <li>• Public Servants Association of South Africa (PSA) Union</li> <li>• Human Resource and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of the workforce profile</li> <li>• Employment policies, procedures and practices</li> <li>• Identification of employment barriers and steps to eliminate them</li> <li>• Affirmative action measures</li> <li>• Advancement of employees, particularly from designated groups</li> <li>• Organisation-specific circumstances</li> <li>• Industry-specific circumstances</li> <li>• Department-specific circumstances</li> </ul>	<ul style="list-style-type: none"> <li>• The HR Department shall facilitate and manage the consultation process</li> <li>• The HR Department, through its administration shall be responsible for record-keeping</li> <li>• The consultation process shall be transparent</li> </ul>

## 5. ANALYSIS

As per Section 19 of the Employment Equity Act, an employer must collect information and conduct an analysis of its employment policies, practices and procedures and the working environment to identify barriers that adversely affect people from designated groups.

The current workforce profile was analysed to determine under-representation of people from designated groups and the resultant information was used to project the desired state at the end of the EE Plan. For the purposes of this plan, the over and under-representation is determined relative to the North West EAP statistics. The policies, procedures and practices were also analysed and, where applicable, corrective measures were designed.

**Table: Snapshot of workforce profile for all employees, including people with disabilities**

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	0	0	5	1	0	1	1	0	9
Professionally qualified and experienced specialists and mid-management	9	1	0	0	2	0	0	0	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	27	0	0	1	24	0	0	0	0	2	54
Semi-skilled and discretionary decision making	59	0	0	0	67	0	0	0	0	0	126
Unskilled and defined decision making	73	0	1	0	83	0	0	0	0	0	157
<b>TOTAL PERMANENT</b>	<b>169</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>181</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>358</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>169</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>181</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>358</b>

**Table: GLR Job Grade Convention Table**

Occupational Level	Job Grades
Top management	<b>0</b>
Senior management	<b>7</b>
Professionally qualified and experienced specialists and mid-management	<b>12</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	<b>20</b>
Semi-skilled and discretionary decision making	<b>35</b>
Unskilled and defined decision making	<b>13</b>

## 6. FINDINGS AND OBSERVATIONS (FROM ANALYSIS PROCESS)

Occupational Level	Job Grades
Top management	GLR Group operated without top management. The Shareholder seconded employees to act in the following positions: <ul style="list-style-type: none"> <li>• CEO</li> <li>• CFO</li> </ul>
Senior management	African males are underrepresented in this category, other groups are over represented
Professionally qualified and experienced specialists and mid-management	African females are over represented in this category, other groups are under represented
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	African males are over represented in this category, other groups are under represented
Semi-skilled and discretionary decision making	African males are over represented in this category, other groups are under represented
Unskilled and defined decision making	African females are over represented in this category, other groups are under represented
People with Disabilities (PWD)	People with disabilities are under-represented, at less than 2% in all occupational categories
Women in Leadership positions	The current <b>women component</b> in the top three occupational categories is <b>53.2%</b> , compared to the 46.8% of male component

**Table: Recruitment: 1 April 2020 to 31 March 2021**

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL PERMANENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 7. EMPLOYMENT EQUITY PLANS AND TARGETS

Numerical goals must include the entire workforce profile, and the difference that is projected to be achieved by the end of this EE Plan.

1 April 2020 ending 31 March 2021:

Occupational Levels		MALE				FEMALE				Foreign Nationals		SUB TOTAL	
		A	C	I	W	A	C	I	W	Male	Female	Filled	Vacant
Provincial EAP Compliance		53.9%	0,7%	0,5%	3,1%	37.8%	0,6%	0,2%	3.2%				
Top Management	Filled	0	0	0	0	0	0	0	0	0	0		
	Vacant	0	0	0	0	0	0	0	0	0	0		
Senior Management	Filled	5	0	0	0	5	1	0	1	1	0	9	4
	Vacant												
Professionally qualified and experienced specialists and mid-management	Filled	8	1	0	1	4	0	0	0	0	0	12	2
	Vacant												
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Filled	32	0	0	2	26	0	0	2	0	2	57	7
	Vacant												
Semi-skilled and discretionary decision making	Filled	74	1	1	5	71	0	0	4	0	0	135	21
	Vacant												
Unskilled and defined decision making	Filled	90	1	1	6	85	1	0	4	0	0	163	25
	Vacant												
TOTAL		209	3	2	14	191	2		11	1	2	376	59

# Annexure F

## *Transfer of Golden Leopard Resorts SOC Ltd to the North West Parks & Tourism Board*

### 1) EXECUTIVE SUMMARY

Provincial EXCO took a resolution to transfer GLR SOC Ltd to the North West Parks & Tourism Board to align and link the entities (Golden Leopard Resorts and Madikwe River Lodge) to the mandate of tourism expansion and development in the North West Province.

### 2) INTRODUCTION

- 2.1 The North West Development Corporation (NWDC) (SOC) Ltd is an established State Owned entity schedule 3D in terms of the Public Financial Management Act (PFMA) No.1 of 1999. The North West Provincial Government (NWPG) holds 100% of the ordinary shares of NWDC. In terms of its mandate, the NWDC is established to assist in driving the economy of the North West Government by providing financial services and business support, development of small businesses (SMME), leasing of business premises, delivering developmental projects, and promotion of foreign direct investment opportunities.
- 2.2 GLR SOC LTD is a Schedule 3D public entity in terms of the Public Finance Management Act (PFMA). The main business and principal activities include tourism accommodation, conferencing and timeshare operations in the North West Province through its subsidiaries Golden Leopard Resorts (GLR) and Madikwe River Lodge (MRL).
- 2.3 During 2015, in order to align the mandate of the Province's economic development, the provincial EXCO took a resolution to transfer the property management of hospitality business in the province; namely Dirapeng Group ("Dirapeng"), Golden Leopard Resorts ("GLR") and Madikwe River Lodge ("MRL") to the NWDC. In addition, Christiana Hotel now known as Christiana All Seasons Resort (CASR) was purchased by NWDC and is managed by GLR (formerly Dirapeng). Subsequently the status of the entity changed from a Schedule 3C public entity to a 3D public entity as a subsidiary of the NWDC in terms of the PFMA. More so an EXCO resolution was taken in September 2019 to take back Golden Leopard Resorts to North West Tourism Board.
- 2.4 A process of consolidating the entities was embarked on and during February 2018, Dirapeng (Pty) Ltd was changed to GLR SOC Ltd. The prior GLR resorts were changed to GL Resorts and the name Madikwe River Lodge (MRL) was reserved for trading as is. It was important for the brand awareness that the name of Madikwe River Lodger and GLR were kept as is.
- 2.5 The group has however, over the past few years, experienced significant financial and operational difficulties, which resulted in:
- a) Overall consistent decline in profitability.

- b) The group obtained a disclaimer audit opinion during 2015 and 2016.
- c) The opinion improved to a qualified opinion in 2017.
- d) Followed by disclaimer audit opinion in 2018, 2019 and 2020.
- e) Lack of maintenance and upkeep of properties negatively affected occupancy and revenue, and seriously strained the structural safety of some of the infrastructure.
- f) The additions of the CASR and Cookes Lake facilities (who are on management contracts both ending on 31 March 2021), further exacerbated the financial situation of the entities adding to an increase in HR costs and associated operational expenses whilst both facilities do not generate sufficient to cover its fixed expenses. Further, both properties have high outstanding bills with the relevant municipalities being Lekwa Teemane and Mahikeng. Despite several attempts to intervene and resolve the matter, the Lekwa Teemane Municipality specifically will not entertain resolutions unless it comes directly from the NWDC who is the property owner.
- g) Creditor's age analysis currently ranges between 180 days plus with compliance matters between AG, SARS and utilities making up the bulk.
- h) Creditors older than 180 days include timeshare owners and many SMME's and local businesses that rely on the resorts for their survival.
- i) As per the illustration in the table above, the DBSA has disbursed loans to the NWDC amounting to R664m. However, the active loans alone only amounts to a total of R122m.

### **3) STRATEGIC FORESIGHT**

#### **3.1 Current Reality:**

The following realities were noted by the HoD: Provincial Treasury (Mr. Kunene) of the North West Province. The entity has been experiencing operational and financial management challenges in the past few years and these difficulties have led amongst others to the following:

- The overall profitability consistently declined from R8.7 million losses in 2019 to R22.4 million in 2020. The decline in 2020 is due to Covid-19 Lockdown.
- Loss of clientele in the market over the years due to the dilapidated infrastructure of all GLR properties. GLR properties are unable to compete with other competitors due to no value for money.
- The group obtained a disclaimer audit opinion during 2015 and 2016 financial year. The opinion improved to a qualified opinion in 2017 followed by another disclaimer audit opinion in 2018 to 2020. The reason for the disclaimer was the difference in opinion on the treatment and disclosure of the useful life of assets and the migration of accounting frame work from GRAP to IFRS.

- Lack of maintenance and upkeep of properties negatively affected occupancy and revenue, and seriously strained the structural safety of some of the infrastructure.
- Decline in revenue and occupancy due to unsafe environment caused by attack on guests and robberies at Manyane as the main Resort:
  - Challenge in purchasing stocks for Food & Beverage and Retail for revenue generation purposes.
  - Creditor's age analysis during 2020 between 60-180 days is R71.2 million excluding SARS, and this has not improved since 2015 to date.

The following could secure sustainability:

- **Madikwe River Lodge** needs sales of R31 million per annum to reach break-even point. In order to reach these targets, the following measures should be implemented with an estimated required capital of R16.6 million;
- **Manyane Resort** requires revenue of R63.3 million per annum to break-even. In order to achieve this target, the following measures should be implemented with an estimated required capital of R44.6 million; and
- **Bakgatla Resort** requires revenue of R59.2 million per annum to break-even. In order to achieve the revenue, target the following measures should be implemented with an estimated required capital of R27.5 million.
- The Group (GLR) will require a total amount of R275 million to ensure sustainability. This amount includes R172 million for working capital and R103 million for capital expenditure. The working capital includes SARS, AG costs, NWDC Loan account; Municipalities debts and Share block Levies. The capital expenditure includes are Timeshare Units of the total of 55 units, property refurbishment at all the resorts and for ICT upgrades (see Table below)

### 3.2 Possible Future Reality

The following were noted in the PWC turn-around strategy (2013) and is still relevant:

- **Maintain the status quo:** This is not an option as a results of operating losses and cash flow problems. This will place the going concern status and sustainability of the company at risk. This would put the shareholder and directors at risk for trading recklessly.
- **Fix the business:** Stabilize the business and focus on fixing challenges and issues. There is a few low hanging fruit to assist with stabilisation and thereafter focus on strategy. These include but are not limited to develop and implement process, systems and controls to secure quality data; analyse cost and consider cost saving initiatives, create a structure that is fit for purpose and train staff so that they could understand systems, process, and controls.

- **Grow the business:** Shareholder and directors may consider to refurbish, upgrade and expand the capacity, facilities and service offerings of the group.
- **Grow strategically:** Commercialization options with a strategic focus and equity partners (PPP).
  - Technical partner (49%): Group
  - Strategic equity partner (49%): Individuals
  - Develop a grand strategy for each entity
    - ✓ Diversification
    - ✓ Cost leadership
    - ✓ Product development
    - ✓ Market development
    - ✓ Forward / Backward integration

### 3.3 Fix the Business

The following were noted in the PWC turn-around strategy (2013) and is still relevant:

- Develop short term cash flow forecast;
- Develop business process;
- Develop and implement hospitality controls;
- Analyse significant cost and consider cost savings initiatives;
- Create a organisational structure fit for purpose;
- Provide regular management information;
- Implement systems that would guarantee accurate and complete data; and
- Train staff (systems, processes and controls) to operate efficiently.

### 3.4 Develop Strategic Options and Choices

The following were noted in the PWC turn-around strategy (2013) and is still relevant:

- Reap the profits of low hanging fruits;
- Consider funding options; and
- Plan for the future strategically.

### 3.5 Plan funding to first survival and then prosper

The following were noted in the PWC turn-around strategy (2013) and is still relevant:

- **Technical partner (%): Hospitality group:** This can be hospitality groups with hospitality experience. Will have to align GLR strategy to hospitality group. Group may appoint their management and have a seat on the board. They will want to see early returns on their investment.
- **Strategic equity partner (%):** Individuals with hospitality industry experience: This can be private equity partners with hospitality industry experience. Must have a clear strategy for them because they would want a good return on their investment. They may want to be involved in the management and board and monitor performance.

- **Commercial Bank loans:** Consider the extend of funding required to stabilize business (refurbish and upgrade the business). This will not compromise equity stake in the business. Overdraft could be used to finance operation cost while term loans could be used to refurbish / upgrade facilities.
- **Brics / Development Bank loan:** Determine if the any of the two banks have a mandate specifically for the hospitality industry. Consider the funding requirement. Consider the form of support needed (funding and or equity. They may require a position on the board. They may develop terms and conditions to adhere to.

#### 4) **PLAN AND IMPLEMENTATION STRATEGY**

The following were note in the PWC turn-around strategy (2013) and is still relevant:

##### 4.1 **Establishment of Workstream Task Teams**

The Workstream Task Team's main purpose will be to drive the process per workstream. Their roles and responsibilities will include, but are not limited to:

- Providing overall direction;
- Supporting the implementation team;
- Scheduling meetings / site visits with relevant stakeholders;
- Resolving conflicts; and
- Accepting milestone deliverables.

Central to the success of delivering a project of this nature is effective mobilisation and planning arrangements at the outset. The Workstream Task Teams will therefore be responsible for developing the following:

- A detailed project plan and timetable for the process of coalition to consolidation;
- Defining roles and responsibilities;
- A list of stakeholder contacts for consultations and agreement with senior internal and external stakeholder involvement;
- Communication sessions to be held with relevant stakeholders in consultation with the Change Management work stream;
- A list of potential risks and mitigating actions.

Areas for workstreams to consider:

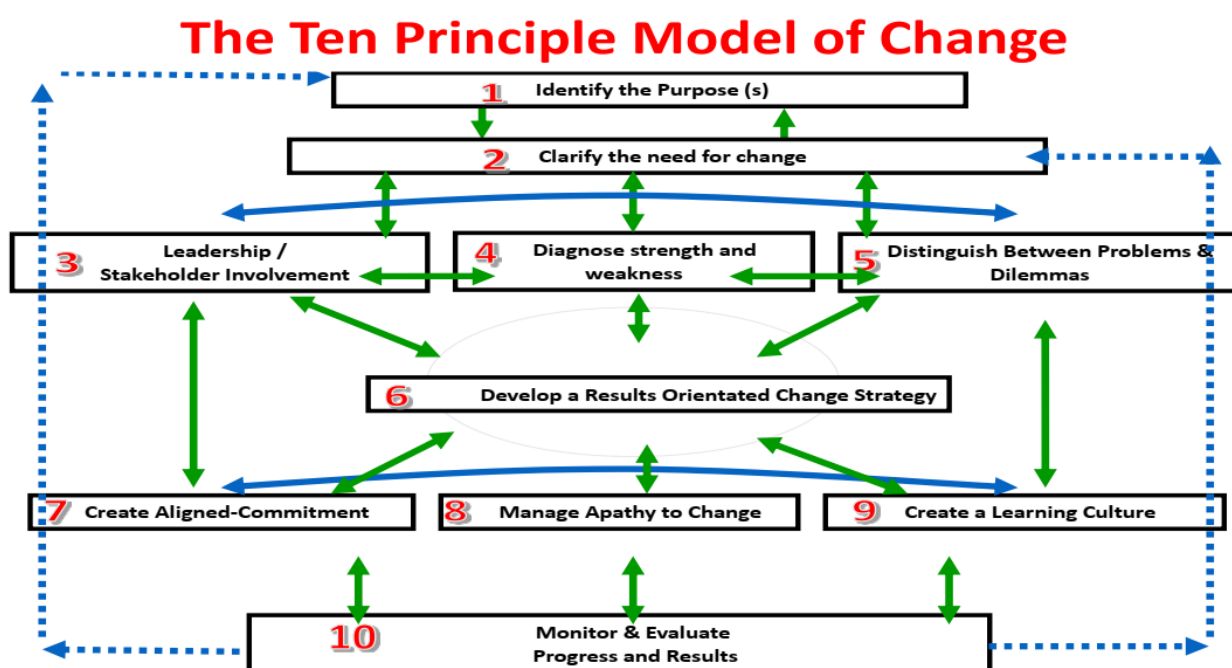
- **Assurance, Governance and Strategy**
  - Adopt the vision, mission and strategy of the organisation
  - Setting of goals and key performance indicators
  - Align governance practices to King III i.e. define Board structures
  - Board scorecard
  - Delegation of authority in place
  - Functioning, internal audit unit
  - Post audit action plan (PAAP) monitoring
  - PFMA applications
  - Risk management

- Approved policies in place
- Approved standard operating procedures, with which the employees are familiar
- Revision of incorporation documents
- **Finance**
  - Availability of up-to date financial information
  - Availability of management information packs to aide management with decision making process
  - Working capital management, including cash-flow forecasting, debtor and creditor management
  - Quantify the value of liability arrangements with creditors
- **Human Resources**
  - Organisational structure
    - ✓ job descriptions
    - ✓ job evaluation
    - ✓ salary benchmarking
  - Staff competency
  - Performance management
  - HR Plan
  - Occupational health and safety
  - Development of HR Plan
  - Staff development
  - Staff migration
- **Systems (ICT)**
  - Responsibilities for IT to be defined.
  - General control environment to be improved significantly
  - Alignment of systems in use at the organisation
  - Hardware and software upgrade
  - Business continuity
- **Infrastructure**
  - Approved refurbishment plan, which includes timeframes and budget
  - Safety and security plan
  - Maintenance plan
- **Marketing, Communication and Change Management**
  - Increased focus on the management of guest feedback receive (Public relations)
  - Re- branding and brand promotion
  - Usage of social media
  - Change office
  - Change agents

## 5) CHANGE MANAGEMENT

For the project to be successful, it is necessary to underpin the project with a robust change management programme. A change management programme for any large intervention needs to consider the broader context of the organisation and the change, the spread of stakeholders and each of their personal agendas, issues relating to the communication of strategic intent of the organisational re-design and the management of the imminent changes to the organisation.

Change management plays an integral role in an organisational re-design. It is imperative for organisational leaders to manage any change process to ensure an understanding of the project and process. The use of the Ten Principles of Change Model (Coetsee, 2002) is advised. A graphical representation of the model is presented in the Table below.



## 6) CONCLUSION

As a final thought, and using the *Pareto principle*, the following should be resolve as soon as possible because they (20% of the issues identified) constitute 80% of the problems / risks of GLR SOC (PTY) Ltd:

- Dealing with the legacy debt (above 80% of the debt are owned to other state institutions e.g. AG, local authorities, and NWDC). This should and be dealt with at the highest possible level because this is the single most significant risk to the going concern status of the Group;
- Selling of all non-cash assets (shares in related industry ventures) not under the control of the Group or its board;
- Establish actual capital requirements (funding quantum) for upgrade and refurbishment of the facilities as well as short term (1 Year) cashflow projections;



- Train staff and management and start to manage the institutions;
- Appoint a senior industry leader (3 year contract) as project leader to manage the project milestones and deliverables;
- Establish and resource an infrastructure for support of the project leader;
- Establish a Task Team with workstreams; and
- Develop a structure fit for purpose: Head-office with individual entities operating independently (paying a contribution to carry head-office cost for proving shared services; and use tested change management models / frameworks to manage the process).