



NTINGA O.R. TAMBO DEVELOPMENT AGENCY SOC LTD

**2018/2019
FINAL ANNUAL BUDGET**

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1. 2018/2019 BUDGET OVERVIEW

- a) Ntinga O.R. Tambo Development Agency SOC LTD is operating as a wholly owned implementing agent of the parent municipality, O.R. Tambo District Municipality (ORTDM). During 2015/2016 financial year the mandate of the Entity was amended. The amended mandate is mainly derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) and Section 84(1)(a)(b)(d)(k)(m)(n)&(p) of Municipal Structures Act, 1998 (Act 117 of 1998).

It is to facilitate, manage and implement Socio-economic Development initiatives with a special focus on:

- Water and Sanitation;
- Service Centres (e.g. Markets, Abattoirs, Agri-parks, Farms, etc.);
- Rural Development (e.g. Tourism, Forestry, Agriculture, etc.);
- Cooperatives and SMMEs; and
- Any other related function in partnership with either public or private sector.

- b) In implementing the above mandate the Entity has developed a strategy anchored on the following four goals:-
- Goal 1: Sustainable Water Services (water supply and sanitation) Systems
 - Goal 2: Enhanced and Enabled Full Value Chains (upstream and downstream) for Agricultural Produce, Markets, Abattoirs and Aquaculture.
 - Goal 3: Diversified Partnerships that Promote Inclusive Socio-economic Development and Growth.
 - Goal 4: Dynamic, Capable and Sustainable State Owned Company.

This budget is aligned to the four goals.

- a) There are significant increases in revenue to be generated by the Abattoir compared to the previous years. A lot of work has been done on the process side and capacity building. We are to ensure that there are off-take agreements to assure that projections made will be realized.
- b) Adam Kok Farms has a projected deficit for the next three years. Management is to put in place timelines for turning around the farms.

- c) In Water Services there is lack of funding of the startup capital infrastructure by the parent municipality.
- d) The Ikhwezi Dairy Farm has been discontinued, employees have been placed in other functional areas. The assets are still in place and will be disposed off in future.
- e) During the coming financial year the Entity is conducted a detailed analysis of input costs versus operational costs, direct costs versus indirect costs and discretionary versus non discretionary costs.

2. DISCUSSIONS

2.1 Goal 1 : Sustainable Water Services (water supply and sanitation) Systems

An amount of R17m is budgeted to be generated from water services. Compared with the 2017/2018 forecasted revenue of R1.9m, this represents an increase of R15.1m. Areas of operations by the Entity have been defined and this forms part of the Service Delivery Agreement (SDA) signed with the parent municipality. A total of 83 water schemes in the KSD Municipality have been allocated to the Entity for refurbishment, maintenance and later billing. A total amount of R6.3m has been allocated for this work. This amount is allocated with no assessment of work to be done on each scheme having been conducted. The Entity is to speed up the assessment process and make a submission to the parent municipality and that is expected to lead to an increase in the amount of revenue from R6.3m to R9.3m.

The Entity is to render social facilitation services to the parent municipality and R5m has been allocated in this regard. In addition, R3m is expected to be generated from services provided to the parent municipality for the reduction of water distribution losses.

Lastly, the Entity is to commence with the billing of peri-urban areas with effect from the second half of the 2018/2019 financial year. Businesses are to be billed as the first phase of the project. R2m is budgeted to be generated from this source.

As far as expenditure is concerned, the water services department is to be adequately resourced. The head of the section is to be appointed. The budget makes provision for

five (5) additional artisans. All staff that was placed in the department following the restructuring process is expected to work fully in the department.

Total expenditure which includes operational costs and salaries is budget at R12.4m. Of this amount, R9.1m relates to staff salaries and wages of people directly assigned to the department. This then implies that the department is estimated to realise an operating surplus of R4.6m.

2.2 Goal 2 : Enhanced and Enabled Full Value Chains (upstream and downstream) for Agricultural Produce, Markets, Abattoirs and Aquaculture.

2.2.1 Abattoir

A total of 3 055 units is to be slaughtered at the abattoir. 2 505 of these units to be slaughtered relates to livestock for meat sales purposes. A revenue amount of R31.9m is to be generated by the abattoir. There is an increase of R25.9m in revenue compared to the R6m projected to be generated during the current 2017/2018 financial year.

Infrastructure has been upgraded and this is to improve operational efficiency. Adam Kok Farms is to intensify its rapid livestock fattening programme thereby increasing the number of units to be produced for the abattoir.

Trading hours are to increase with the introduction of trading for half a day on Saturdays. A meat market is to be established at Fresh Produce Market in order to expand the customer base particularly the retail market.

An aggressive marketing plan is to be developed and implemented.

Total operational expenditure for the abattoir including staff salaries and wages is budget at R30.6m. This therefore means that the abattoir is to realise an operating surplus of R1.3m.

Of the total expenditure amount of R30.6m, R25.1m relates to the purchase of livestock. This presents a huge opportunity for local farmers to meaningfully participate in the economy of the district. To this end the Entity will embark on farmer incubation programme as well as forging close working ties with local municipalities.

As far as staffing is concerned the abattoir is adequately capacitated. An average gross profit of 20% is estimated to be realised by the abattoir.

2.2.2 OR Tambo Farms

The farms carry an average of 1 500 cattle. Plans are to purchase additional 250 cattle during the 2018/2019 financial year. Estimated purchase price per cow is approximately R8 000. Cows to be purchased are a mix of heifers in calf as well as buying directly from farmers via livestock market days (ifandesi).

At least 700 cattle are to be sold during the 2018/2019 financial year either to the abattoir or other buyers. An average selling price of R10 000 per cow is estimated.

Local farmers are to be assisted with livestock branding and a budget of R100 000 has been set aside for this purpose.

A portion of the arable land is to be used for the production of high value crops such as potatoes. R900 000 is to be generated from this source.

In total the farms are to generate revenue of R7.9m. Related operational expenditure including staff salaries and wages amounts to R9.3m. There is an estimated operational deficit of R1.4m. The deficit is to be subsidized by revenue from other sources. R4m of the total expenditure budget relates to staff salaries and wages. All budgeted positions relate to existing personnel and no vacant positions are to be filled.

2.2.3 Fresh Produce Market

Revenue to be generated by the market is to increase from R1.3m to R7.3m by the end of the 2018/2019 financial year. Of this amount, R5.8m relates to commission to be generated from sales of produce. Three more market agents are to be recruited to the market to add to the existing lone agent. There is an ongoing infrastructure upgrade intended to make the market to be attractive to farmers and agents. Historical operational deficiencies are being attended and there is new management in place.

The remainder of R1.5m of the market's revenue amount is to be generated from letting of property.

Total operational expenditure including staff salaries and wages amounts to R7.1m. The main cost driver of expenditure is staff salaries which amount to R3.4m.

For the 2018/2019 financial year the market is expected to realise an operational deficit of R0.6m. The market is project to realise profit from the 2019/2020 financial year onwards.

2.3 Goal 3 : Diversified Partnerships that Promote Inclusive Socio-economic Development and Growth.

A total of R16.6m will be generated from work to be done on behalf of the parent municipality particularly in Rural Economic Development and Planning. This includes mainly work to be done in SMME and Cooperatives Development, RAFI Programme, Trade and Investment Promotion, and Agri-Parks.

A budget has been provided for the appointment of a Trade and Investment Promotion Officer.

Goal 4 : Dynamic, Capable and Sustainable State Owned Company.

The budget makes provision for an annual staff salary increment of 6.5%. Except for five (5) additional artisans, Water Services Engineer, Trade Investment Officer and the Public Relations Officer no other new appointments are budgeted for.

A provision of R700 000 has been made for the appointment of an external service provider to render Company Secretariat and Legal services. A provision has been made for the appointment of a person in the position of the Company Secretary with effect from the 2019/2020 financial year.

The budget makes provision for the Board of Directors and all its Committees to meet for a maximum of four (4) times during the year. Due to the nature of its work, two additional meetings are provided for the Audit and Risk Committee.

3. RESOLUTIONS

In compliance with Local Government: Municipal Finance Management Act Section 87(4), the Board of Directors approves the 2018/2019 budget of the Entity.

4. EXECUTIVE SUMMARY

- 4.1 The 2018/2019 operational annual budget amounts to R110,4m and capital budget amounts to R8.8m. This gives a total 2018/2019 budget of R119,2m compared to the 2017/2018 financial year budget of R63,0m.
- 4.2 Grant funding from the parent municipality for 2017/2018 financial year was R37,5m including Vat. For the 2018/2019 financial year, grant funding is R31,1m including Vat. For the 2019/2020 financial year it is R32,7m including Vat and for the 2020/2021 financial year the grant funding is R34,4 including Vat.
- 4.3 Operational expenditure is fully funded by the revenue generated by the different operations together with grant revenue.
- 4.4 Capital Expenditure is funded by accumulated cash reserves to the extent of R8,4m.
- 4.5 Year to year budget increase is estimated to be approximately 10%.
- 4.6 There is a 6.5% estimated increase in salaries and wages budget in the 2018/2019 budget.
- 4.7 Funds that are not readily required for operational requirements are invested in line with the investment policy.
- 4.8 The entity does not have long term borrowings.
- 4.9 Net assets position is expected to be sound into the foreseeable future with assets exceeding liabilities.

5. SUPPORTING DOCUMENTATION

5.1 Overview of annual budget process

There is an agreement in place between the entity and the parent municipality. This agreement is based on the mandate given to the Entity. As part of the integrated development plan of the parent municipality activities to be carried out by the entity are outlined. In addition to this, the Board of Directors develops and adopts a strategy of implementing the mandate. All of these are then used to inform budget proposals. Heads of departments prepare departmental budgets for submission to Chief Financial Officer for checking alignment with the strategy as well as consolidation.

The consolidated draft budget is then considered by the sub-committee of the board before it is discussed by the board of directors. Upon approval by the Board of Directors the budget is submitted to the parent municipality.

Where there are changes that are proposed by the parent municipality they are taken into account before the consolidated budget is tabled in Council before the end of March of each year. The consolidated budget is then taken for public consultation by the parent municipality. Views of the community and key stakeholders are then considered by the Board of Directors before the final budget is adopted by the Board of Directors.

5.2 Overview of alignment of annual budget with service delivery agreement

Ntinga is a wholly owned municipal entity of O.R. Tambo District Municipality. The parent municipality appoints the Board of Directors. As a means of oversight the parent municipality is represented in meetings of Board of Directors. Financial reports of the entity are submitted to the parent municipality monthly. Furthermore, quarterly performance reports and financial reports are subject of discussions by Council of the parent municipality. The entity is also subjected to Municipal Public Accounts Committee processes.

5.3 Overview of budget related policies

Listed below are Ntinga's budgeted related policies. They are accessible from our records management office. They are also posted on our website www.ntinga.org.za under Acts and policies.

- Asset management policy
- Credit control policy
- Fleet management policy
- Investment policy
- Leave policy
- Performance management policy
- Budget policy

These policies are subject of review annually.

5.4 Overview of budget assumptions

The budget proposals are based on the following assumptions:-

- a) Medium Term Expenditure Framework (MTEF) Guide was used to inform some of the budget proposals.
- b) Operations under a state owned company form commenced in full with effect from 01 July 2017.
- c) The Entity took the full responsibility for operations at Kei Fresh Produce Market with effect from 01 July 2017;
- d) Improved returns on investments made on projects such as the abattoir and the fresh produce market are expected in the 2018/2019 financial year. These projects are to be made to be self sustainable.
- e) Revenue from Adam Kok farms is recognised by the Entity.
- f) Year to year price increase is estimated to be approximately 10%. This is informed by the struggling economic outlook e.g. increase in VAT rate which is going to have adverse impact in food prices etc. Drought as well is expected to have adverse effect on future prices.

- g) The Entity is attending to operational challenges in service centers such as the farms, fresh produce market and the abattoir. There is a strategy that links operations of various service centers thereby maximizing return on investment.
- h) The Entity has budgeted for depreciation in value of assets.
- i) There will be new appointments of staff particularly in water services

5.5 Overview of budget funding

Part of the budget is funded from grant funding from the Parent Municipality.

Own revenue in the form of sales at the farms, the fresh produce market and the abattoir is expected to improve.

6. Legislation compliance status

Ntinga is fully implementing all legislation that is applicable to it. There are no delays in implementation and there is no application for such.

7. Other supporting documents

Additional information on expenditure

- a) Estimates of year to year budgets are based on the costing of projects and programmes. In an event that budgets require annual increases, we used an average percentage of 10%.
- b) Accommodation and travel budget will be utilized for all employees within the institution. This is mainly based on travelling to be done by staff when performing their duties as well as training requirements and workshops that will be attended to skill and capacitate employees. With now operations under the state owned company form, expenditure on training of staff is expected to increase.
- c) Board and committees fees budget is set aside for board and committee meetings. It is expected that the Board and its Committees will hold the minimum of four meetings each during the year. The budget includes all board related expenses.

8. QUALITY CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Mxolisi Nkosi, Chief Executive Officer of Ntinga O.R. Tambo Development Agency SOC LTD hereby certify that the 2018/2019 annual budget has been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the annual budget is consistent with the Integrated Development Plan of the parent municipality, the Entity's Strategy and the Service Delivery Agreement with the parent municipality of the Entity.

M. Nkosi

Chief Executive Officer

9. BUDGET ANNEXURES

9.1 Statement of Financial Performance

Description	2014/2015	2015/2016	2016/2017	Current Year Budget 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget year 2018/2019	Budget year 2019/2020	Budget year 2020/2021
R thousands									
Revenue by Source									
Abattoir Revenue	847 612	1 894 935	2 607 022	4 560 000	6 943 710	6 046 420	31 941 738	34 509 100	39 472 900
Dairy Farm Revenue	180 543	324 138	255 149	400 000	400 000	287 390	-	-	-
Kei Fresh Produce Market revenue	-	-	-	4 430 000	1 539 000	1 308 438	7 318 958	8 615 680	9 506 934
Interest earned - external investments	1 705 759	2 165 234	3 053 611	2 000 000	2 000 000	2 070 950	2 500 000	2 500 000	2 600 000
Consultancy fees	913 564	685 511	-	-	-	-	16 521 739	8 500 000	9 400 000
Grant Transfers Recognised (ORTDM GRANT)	39 803 125	38 324 034	46 665 607	33 404 203	41 200 171	37 611 988	27 053 509	28 460 292	29 940 227
Donations received	772 255	-	-	508 434	666 834	10 097 413	169 477	-	-
Other revenue	263 783	343 311	816 054	-	40 000	283 749	70 000	50 000	50 000
Adam Kok Farms revenue			272 005	3 240 000	5 435 770	2 916 284	7 900 000	8 690 000	9 559 000
Water Services revenue			3 310 639	10 000 000	10 000 000	1 937 878	17 043 478	20 500 000	25 000 000
Adjustments to biological assets	8 400	5 295	3 800	15 000	137 807		50 000	55 000	50 000
Gains on disposal of PPE	316 327	163 336	237 146	-			-	-	-
Total Revenue (excluding capital transfers and contributions)	44 811 368	43 905 794	57 221 033	58 557 637	68 363 292	62 560 509	110 568 899	111 880 072	125 579 062
Expenditure By Type									
Employee related costs	20 495 049	21 872 770	21 645 270	27 251 950	26 117 039	19 149 048	41 560 396	43 803 525	46 869 147
Board of Directors Allowances & re-imbursive	293 476	514 159	318 002	800 000	1 096 300	1 059 079	1 250 000	1 375 000	1 512 500

Description	2014/2015	2015/2016	2016/2017	Current Year Budget 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
costs									
Board of Directors Travelling, Accommodation & other	260 171	205 240	684 888	600 000	486 133	565 876	510 000	561 000	617 100
Debt impairment	-	61 391	27 875	-	-	-	-	-	-
Depreciation & asset impairment	827 816	1 222 893	740 273	700 000	700 000	1 257 166	1 495 300	1 495 300	1 495 300
Finance charges	56 023	53 130	16 569	35 000	35 000	38 123	60 000	66 000	72 600
Repairs and Maintenance	210 018	142 886	113 324	300 000	245 000	177 064	240 000	264 000	285 120
Fresh Produce Market Operations	3 325 656	5 400 000	5 939 781	7 758 161	8 037 761	6 596 377	3 771 836	4 025 955	4 376 887
Abattoir Operations	1 138 511	2 184 830	3 008 047	4 133 662	5 898 096	7 725 881	27 407 729	29 369 708	33 426 706
Dairy Farm Operations	572 747	672 423	720 638	800 000	875 522	644 421	-	-	-
Adam Kok Farms Operations	5 713 943	5 313 181	7 936 689	4 930 500	8 027 927	8 087 507	5 888 500	6 374 850	5 940 785
Water Services	699 926	233 922	2 582 553	3 500 000	3 394 447	1 831 947	3 240 000	3 950 000	5 490 000
Special Projects (Transfers and Grants)	2 865 458	1 708 886	1 248 391	979 655	1 709 148	445 362	15 690 319	7 990 000	8 836 000
Operating Expenditure	4 484 218	5 075 960	5 066 117	6 710 600	7 565 600	6 810 817	9 214 000	9 564 000	10 348 804
Adjustments to Biological Assets	189 200	78 900	139 550	45 000	45 000	210 000	100 000	55 000	59 400
Total Expenditure	41 132 212	44 740 571	50 187 968	58 544 528	64 232 974	54 598 668	110 428 079	108 894 338	119 330 349
Surplus/ (Deficit) for the year	3 679 156	-834 777	7 033 065	13 109	4 130 317	7 961 841	140 820	2 985 734	6 248 713
Accumulated surplus at the beginning of the year	25 560 819	29 239 975	28 541 440	29 797 169	35 574 508	35 574 508	43 536 349	43 677 170	46 662 904
Accumulated surplus at the end of the year	29 239 975	28 405 198	35 574 505	29 810 278	39 704 826	43 536 349	43 677 170	46 662 904	52 911 617

9.2 Statement of Financial Position

Description	2014/2015	2015/2016	2016/2017	Current Year Budget 2017/2018			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcomes	Original Budget	Adjusted Budget	Full Year Forecast	Budget year 2018/2019	Budget year 2019/2020	Budget year 2020/2021
Rands									
ASSETS									
Current assets									
Cash and Cash Equivalents	29 934 387	30 240 288	36 254 354	15 761 548	21 875 529	32 311 725	25 866 117	30 717 151	35 441 164
Receivables from Exchange Transactions	12 298	1 600	20 899	1 050 000	1 050 000	1 050 000	1 100 000	300 000	200 000
Receivables from Non-Exchange Transactions	503 020	875 729	6 208 828	300 000	300 000	300 000	200 000	200 000	150 000
Unpaid Conditional Government Grants and Receipts	5 446 394	-	-	-	-	-	-	-	-
Taxes (VAT)	-	-	169 940	-	-	-	-	-	-
Inventory	435 454	96 547	199 262	100 000	100 000	100 000	120 000	200 000	300 000
Total current assets	36 331 553	31 214 164	42 853 282	17 211 548	23 325 529	33 761 725	27 286 117	31 417 151	36 091 164
Non current assets									
Property, plant and equipment	4 531 567	3 526 999	4 265 631	16 547 458	18 128 025	11 523 353	18 431 053	17 735 753	18 320 453
Biological assets	608 775	627 701	760 051	630 000	630 000	630 000	210 000	-	-
Intangible assets	65 597	37 294	814 289	21 272	21 272	21 272	200 000	-	90 000
Total non current assets	5 205 939	4 191 994	5 839 972	17 198 730	18 779 297	12 174 625	18 841 053	17 735 753	18 410 453
TOTAL ASSETS	41 537 492	35 406 158	48 693 255	34 410 278	42 104 826	45 936 350	46 127 170	49 152 904	54 501 617
LIABILITIES									
Current liabilities									
Current portion of long-term liabilities	39 973	-	-	-	-	-	-	-	-
Taxes (VAT)	280 193	191 996	-	300 000	300 000	300 000	350 000	390 000	390 000

Description	2014/2015	2015/2016	2016/2017	Current Year Budget 2017/2018			Medium Term Revenue and Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcomes	Original Budget	Adjusted Budget	Full Year Forecast
Rands									
Unspent Conditional Government Grants and Receipts	6 466 961	452 729	6 442 340	400 000	400 000	400 000	500 000	500 000	-
Payables from exchange transactions	2 074 865	2 470 785	2 681 580	900 000	900 000	900 000	800 000	850 000	700 000
Payables from non-exchange transactions	446 973	446 973	446 973	-	-	-	-	-	-
Current employee benefits	2 994 952	3 325 072	3 547 854	3 000 000	800 000	800 000	800 000	750 000	500 000
Total current liabilities	12 303 917	6 887 555	13 118 747	4 600 001	2 400 001	2 400 001	2 450 000	2 490 000	1 590 000
Non-current liabilities									
Borrowing	-	-	-	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	12 303 917	6 887 555	13 118 747	4 600 001	2 400 001	2 400 001	2 450 000	2 490 000	1 590 000
NET ASSETS	29 233 575	28 518 603	35 574 508	29 810 278	39 704 826	43 536 349	43 677 170	46 662 904	52 911 617
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	29 233 575	28 518 603	35 574 508	29 810 278	39 704 826	43 536 349	43 677 170	46 662 904	52 911 617
TOTAL COMMUNITY WEALTH/EQUITY	29 233 575	28 518 603	35 574 508	29 810 278	39 704 826	43 536 349	43 677 170	46 662 904	52 911 617

9.3 Cash Flow Statement

Description	2014/2015	2015/2016	2016/2017	Current Year 2017/2018			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget year 2018/2019	Budget year 2019/2020	Budget year 2019/2020
Rands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Sales of goods and services	4 241 672	2 811 091	1 127 787	22 630 000	24 318 480	12 496 410	64 204 174	72 314 780	83 538 834
Grants and public contributions	33 956 818	43 770 428	47 248 480	33 912 637	33 912 637	33 912 637	27 053 509	28 460 292	29 940 227
Interest	1 705 759	2 165 234	3 053 611	2 000 000	2 000 000	2 070 950	2 500 000	2 500 000	2 600 000
Payments									
Suppliers and employees	-37 907 431	-42 828 533	-37 195 442	-59 851 501	-60 242 548	-44 097 739	-91 450 291	-97 623 038	-109 177 449
Finance charges	-56 023	-53 130	-16 569	-35 000	-30 000	-35 000	-60 000	-66 000	-72 600
Transfers and Grants	-3 325 656	-5 400 000	-5 939 781	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	-1 384 861	465 090	8 278 086	-1 343 864	-41 431	4 347 258	2 247 392	5 586 034	6 829 013
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of Property, Plant and Equipment	820 685	303 967	539 088	85 000	225 000	225 000	120 000	65 000	65 000
Proceeds on disposal of Biological Assets	282 000	60 186	49 900	-	-	-	-	-	-
Purchase of Intangible Assets	-	-	-805 184	-	-	-	200 000	-	-90 000
Purchase of Biological Assets	-	-152 981	-318 000	-	-	-	210 000	-	-
Purchase of Property, Plant and Equipment	-824 489	-330 387	-1 729 822	-12 335 000	-14 562 394	-8 514 887	-8 403 000	-800 000	-2 080 000
NET CASH FROM/(USED) INVESTING ACTIVITIES	278 196	-119 216	-2 264 020	-12 250 000	-14 337 394	-8 289 887	-8 693 000	-735 000	-2 105 000
CASH FLOWS FROM									

Description	2014/2015	2015/2016	2016/2017	Current Year 2017/2018			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget year 2018/2019	Budget year 2019/2020	Budget year 2019/2020
Rands									
FINANCING ACTIVITIES									
Receipts									
Repayment of borrowing	-83 413	-39 973	-	-	-	-	-	-	-
NET CASH FROM/(USED)									
FINANCING ACTIVITIES	-83 413	-39 973	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-1 190 079	305 901	6 014 066	-13 593 864	-14 378 825	-3 942 629	-6 445 608	4 851 034	4 724 013
Cash/cash equivalents at the year begin:	31 124 466	29 934 387	30 240 288	29 355 412	36 254 354	36 254 354	32 311 725	25 866 117	30 717 151
Cash/cash equivalents at the year end:	29 934 388	30 240 288	36 254 354	15 761 548	21 875 529	32 311 725	25 866 117	30 717 151	35 441 164

9.4 Financial and non-financial indicators

Description of indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget year 2018/19	Budget year 2019/20	Budget year 2020/21
Borrowing Management										
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure	19.71%	25.14%	14.94%	10.95%	9.72%	19.02%	16.88%	16.32%	15.15%
Safety of Capital										
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision / Funds & Reserves	42.09%	24.15%	36.88%	15.43%	6.04%	5.51%	5.61%	5.34%	3.01%
Gearing	Long Term Borrowing / Funds & Reserves	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Liquidity										
Current Ratio	Current assets / current liabilities	2.95	4.53	3.27	3.74	9.72	14.07	11.14	12.62	22.70
Liquidity Ratio	Monetary Assets / Current Liabilities	2.43	4.39	2.76	3.43	9.11	13.46	10.56	12.34	22.29
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.00%	100.00%	100.00%	100.00%		100.00%	100.00%	100.00%	100.00%
Other Indicators										
Employee costs	Employee costs/Total Revenue - capital revenue	46.88%	50.01%	37.99%	46.96%	38.66%	36.50%	37.66%	39.17%	37.34%

Description of indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget year 2018/19	Budget year 2019/20	Budget year 2020/21
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.48%	0.33%	0.20%	0.52%	0.36%	0.34%	0.22%	0.24%	0.23%
Interest & Depreciation	I&D/Total Revenue - capital revenue	2.02%	2.92%	1.33%	1.27%	1.09%	2.47%	1.41%	1.40%	1.25%
Financial viability indicators										
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	1.20%	0.07%	0.32%	4.64%	4.32%	8.40%	1.71%	0.41%	0.24%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.16	0.13	0.12	0.05	0.05	0.08	0.04	0.05	0.05