



NTINGA O.R. TAMBO DEVELOPMENT AGENCY SOC LTD

2024/2025
FINAL BUDGET

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1. 2024/2025 BUDGET OVERVIEW

- a) Ntinga O.R. Tambo Development Agency SOC LTD is a wholly owned implementing agent of the parent municipality, O.R. Tambo District Municipality (ORTDM). 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).

The entity is mandated to carry out the following activities:

- i) Socio-economic development with a particular focus on agro-processing, manufacturing, and ocean economy.,
 - ii) Fresh produce markets and abattoirs,
 - iii) And any agreed upon activities with the parent municipality, provincial and national government, and the private sector (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: Enhanced and Enabled Full Value Chains (upstream and downstream) for Agricultural Produce, Markets, Abattoirs, and Aquaculture.
 - Goal 2: Diversified Partnerships that Promote Inclusive Socio-economic Development and Growth.
 - Goal 3: Promoted trade and investment opportunities in the district.
 - Goal 4: Dynamic, Capable and Sustainable State-Owned Company.

This budget is aligned to the four goals.

1.1 Municipal Grant Funding

The ORTDM did not grant a cost-of-inflation increase for FY 2025. The FY 2024 grant amount will remain unchanged at R49,5m for the financial year 2024/2025.

The Entity summarized budgeted statement of financial performance as follows: -

Description	2023/24 Original Budget	2023/24 Adjustment Budget	2024/25	2025/26	2026/27
Grant funding (ORTDM)	52,526,487	49,553,214	49,553,214	51,832,663	54,165,133
Enterprises revenue	31,285,303	27,819,810	32,111,279	47,145,775	72,006,035
Other revenue	7,575,000	9,088,418	4,665,084	5,898,269	6,204,469
Total revenue	91,386,710	86,461,443	86,329,579	104,876,708	132,375,637
Total operational expenditure	88,206,015	83,892,229	84,080,621	97,823,483	118,760,729
Surplus/(Deficit) for the year	3,180,695	2,569,214	2,248,958	7,053,224	13,614,908

1.2 Trading Enterprises

Goal One focuses on enhancing agricultural value chains. Furthermore, the entity operates farms selling crops sold at the fresh produce market and livestock slaughtered and sold at the abattoir. A budget is set for the purchase and exchange of cows to be fattened at the farms and slaughtered at the abattoir for sale.

Income from Enterprises

Description	Medium Term Revenue and Expenditure Framework			
	Adjusted Budget 2023/2024	Budget year 2024/2025	Budget year 2025/2026	Budget year 2026/2027
Rands				
Fresh Farm Products - Meat and slaughter services	19 985 298	29 835 879	44 341 256	68 539 359
Kei Fresh Produce Market revenue	2 120 000	2 275 400	2 804 520	3 466 676
Rental Income from the Farm	5 714 512	250 000	1 680 000	1 764 000
Adjustments to biological assets	2 150 000	3 685 334	3 452 031	3 624 633
Total Revenue	29 969 810	36 046 614	52 277 807	77 394 668

Revenue from the trading entities is expected to grow by R47m to R77.4 million by the end of the MTEF. The growth will mainly be driven by planned volumes from the UMzikantu Abattoir.

UMzikantu Abattoir

The abattoir is currently licensed to slaughter 50 units. One cow is equal to 1 unit, 4 Pigs equals 1 unit, and 6 sheep equals 1 unit. The plan for the MTEF period is to improve productively from the current level (10%) to 14% Yr1, 20% Yr2, and 30% Yr3.

To ensure the security of animal supply to the Abattoir, the management has decided to stop selling animals to the external market and direct all available stock from the farms to the Abattoir. R1.2m has been budgeted for the feedlot as part of this strategy.

	FY 2025	FY 2026	FY 2027
Volumes	3780	4536	6552
Cattle	1260	2 016	3 024
Pigs	1008	1 008	2 016
Sheep	1512	1 512	1 512
Sales Value	28 632 240	42 254 503	65 286 716
Cattle	20 442 240	34 342 963	54 090 167
Pigs	3 276 000	2 751 840	5 778 864
Sheep	4 914 000	5 159 700	5 417 685
Gross Profit	6 607 440	9 751 039	15 066 165

The abattoir is expected to start making profits from the financial year 2026. Listed below is the projected abattoir performance for the budget period:

Income Statement	FY 2025	FY 2026	FY 2027
Beef Sales	20 442 240	34 342 963	54 090 167
Pock Sales	3 276 000	2 751 840	5 778 864
Mutton Sales	4 914 000	5 159 700	5 417 685
Insides meat	1 203 639	2 022 073	3 184 728
Meat Income	29 835 879	44 276 576	68 471 445
Slaughter fees	61 600	64 680	67 914
Total Income	29 897 479	44 341 256	68 539 359
Purchases			
Beef	15 724 800	26 417 664	41 607 821
Pock	2 520 000	2 116 800	4 445 280
Mutton	3 780 000	3 969 000	4 167 450
	22 024 800	32 503 464	50 220 551
Gross Profit	7 872 679	11 837 792	18 318 808
% Margin	26%	27%	27%
Employee Related Cost	6 356 745	6 674 582	7 008 311
Operational Cost	3 074 760	3 228 498	3 389 923
Depreciation and Amorti	194 691	204 426	214 647
Total Expense	9 626 196	10 107 506	10 612 881
Profit / (Loss)	- 1 753 517	1 730 286	7 705 927

Kie Fresh Market

KFPM was established in 2002 through investment funding from the Presidential Project Trust, amounting to R32,72 million. In 2004, it was fully commissioned as one of the National Fresh Produce Markets in South Africa. In the same year, the MEC for Agriculture handed the management and support of KFPM to the OR Tambo District Municipality. In 2016, the O.R. Tambo District Municipality took a Council resolution to incorporate KFPM into Ntinga O.R. Tambo Development Agency SOC Limited (Ntinga) under the Trading Enterprises Division.

After struggling to operate optimally for some time, resulting in its closer, the market started operating at the beginning of the 2024 calendar year. The enterprise has only one market agent. The process of sourcing the other 3 agents has started. Availability of the produce within the OR Tambo district and Eastern Cape remains a challenge. The budget below reflects the best projections for the market in the budget period:

	FY 2025	FY 2026	FY 2027
Commission	1 035 000.00	1 242 000.00	1 490 400.00
Other income	1 240 400.00	1 562 520.00	1 976 276.00
Cold Room	250 000.00	275 000.00	302 500.00
Forklift rental	80 000.00	104 000.00	135 200.00
Storage fees	709 200.00	921 960.00	1 198 548.00
Parking fees	120 000.00	156 000.00	202 800.00
Potatoes washing	40 000.00	52 000.00	67 600.00
Office Rental	41 200.00	53 560.00	69 628.00
Toal Income	2 275 400.00	2 804 520.00	3 466 676.00
Employee Related Cost	2 817 367.44	2 958 235.82	3 106 147.61
Operational Cost	2 743 144.16	2 880 301.37	3 024 316.44
Depreciation and Amortisation	841 777.98	883 866.87	928 060.22
Total Expenditure	6 402 289.58	6 722 404.06	7 058 524.26
Profit / (Loss)	- 4 126 889.58 -	3 917 884.06 -	3 591 848.26

Adam Kok Farms

Adams Kok Farm consists of seven farms totaling 2600 hectares of land. The farms are located outside Kokstad in the KZN Province. 692 ha are going to be leased out to the private sector. A lease for 100 ha of the land has been concluded for R250,000 per annum, expected by the end of November 2024. The remaining portion is currently being negotiated and included only under the FY 2026 budget.

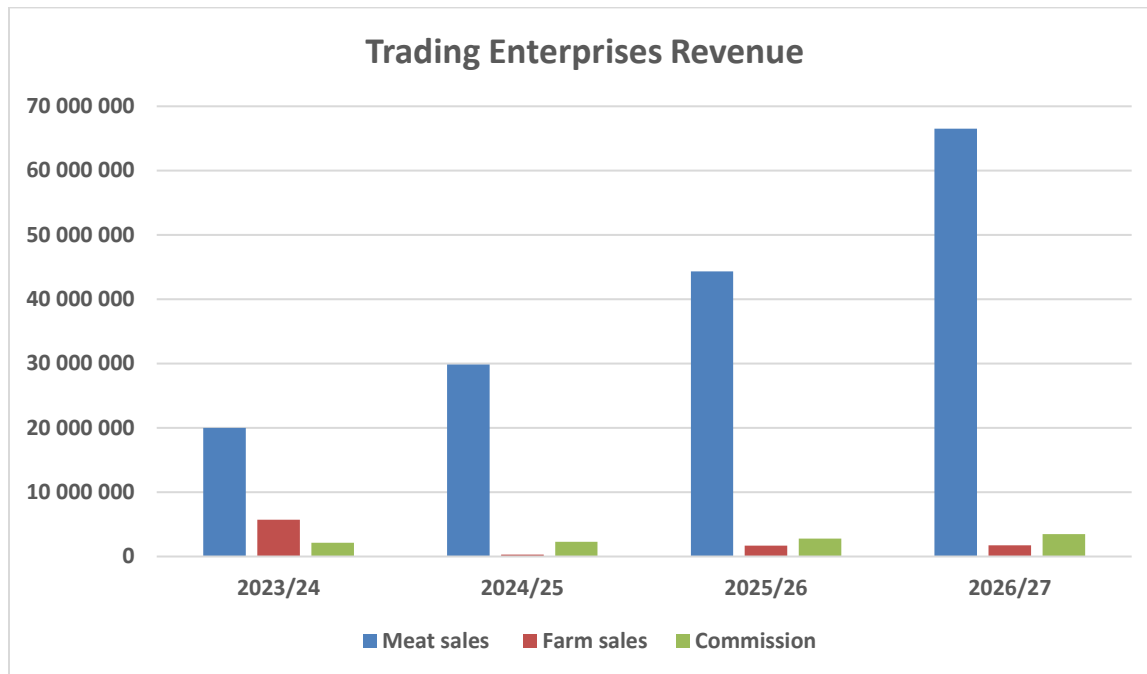
The remaining farmland is used for farming operations and consists of 1700 ha for grazing, 129ha arable, and +-62 ha for water sources.

The projected figures for the farm are as follows:

	FY 2025	FY 2026	FY 2027
	7 472 400.00	7 643 520.00	8 025 696.00
	250 000.00	1 680 000.00	1 764 000.00
Total Income	7 722 400.00	9 323 520.00	9 789 696.00
Direct Cost	3 685 334.43	3 452 031.45	3 624 633.02
Gross Profit	4 037 065.57	5 871 488.55	6 165 062.98
Indirect Cost	1 887 781.84	1 884 692.99	1 978 927.64
Salaries	7 154 880.27	7 512 624.29	7 888 255.50
1	-	-	
Expenditure	9 042 662.12	9 397 317.28	9 867 183.14
Profit / (Loss)	- 5 005 596.55 -	3 525 828.73 -	3 702 120.16

Management is currently exploring options available to address the high cost of the farm's employment bill. The discontinuance of cropping at the farm will result in excess capacity, which has not been taken into account in this budget.

As graphically presented below, meat sales comprise the biggest revenue component generated by trading enterprises.



It must be noted that selling prices fluctuate occasionally during the year, depending on open market conditions. Below are average prices/tariffs/rates that trading enterprises will use to buy stock or service customers.

Description	2023/24 Budget year	2024/25 Budget year	2025/26 Budget year	2026/27 Budget year
Average prices for procurement of livestock				
Purchase of cattle (price per kg)	R49.00	R50.00	R51.00	R52.00
Purchase of pigs (price per kg)	R27.00	R29.00	R31.00	R33.00
Purchase of sheep (price per kg)	R59.40	R60.40	R61.40	R62.40

Description	2023/24 Budget year	2024/25 Budget year	2025/26 Budget year	2026/27 Budget year
Abattoir slaughter and cutting fees				
Cattle Slaughter fee	R620.00	R630.00	R640.00	R650.00
Beef Cutting fee	R3.00/Kg	R3.00/Kg	3.50.00/Kg	3.50.00/Kg
Sheep Slaughter Fee	R170.00 per sheep	R170.00	R170.00	R170.00
Mutton Cutting Fee	R50.00	R50.00	R50.00	R50.00
Pigs slaughter Fee	4.00/kg	4.00/kg	4.00/kg	4.00/kg
Pork Cutting Fee	R100 per pig	R100 per pig	R100 per pig	R100 per pig
Parking daily rates				
Trailers	R 62.99	R 68.02	R 73.47	R 79.35
Kombi, Truck (less than 8tonne)	R 81.88	R 88.43	R 95.50	R 103.14
TLBS	R 62.99	R 68.02	R 73.46	R 77.39
Truck 8tonne	R 100.78	R 108.84	R 117,55	R 126,95
Tractor & Cars	R 75.58	R 81.63	R 88,16	R 95,21
Parking monthly rates				
Trailers	953.76	1,030.06	1,112.47	1,201.46
Kombi, Truck (less than 8tonne)	1,381.70	1,492.24	1,611.61	1,740.54
TLBS	2,290.36	2,474	2,672	2,886
Truck 8tonne	2,496.50	2,696	2,912	3,145
Tractor & Cars	1,069.91	1,156	1,248	1,348
Bus	1,141.19	1,232	1,331	1,437
Forklift (Monthly Rental)	7,446.07	8,042	8,685	9,380
Forklift (Hourly Rate)	317.37	343	370	400
Horse & Trailer (Monthly)	6,611.98	7,141	7,712	8,329
Office space monthly rental				

Description	2023/24 Budget year	2024/25 Budget year	2025/26 Budget year	2026/27 Budget year
Rater per square meter	R225.90	R244	R263	285
Market stalls monthly rental				
Flat rate – with water & Electricity	R 822.82	889.00	R 960	1,037
Stalls - for storage only	R316.18	R341	R369	R398
Storage monthly rental				
Rate per square meter for fully ventilated storage	R125.05	R135.00	R146	R158
Rate per square meter for other storage facilities	R153.91	R166.00	R179	R194
Open space (flat rate)	R 7,568.37	R8,174	R 8,828	R9,534
Potato washing and packaging				
Price per bag	R 4.55	R 4.91	R 5.30	R 6.00
Fresh Produce Market buyers' cards	R 40	R43	R47	R50

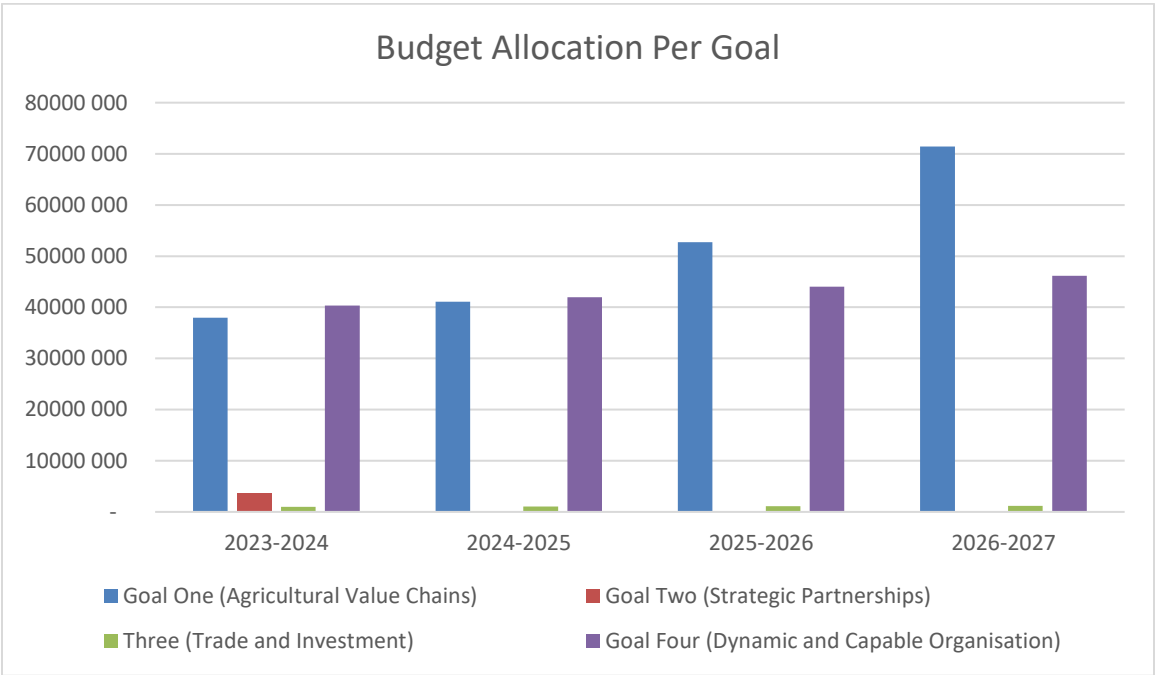
1.3 Strategic Partnerships

Under Goal Two,

The entity plays a pivotal role in key local economic development initiatives such as the ocean economy, special economic zone, industrial parks, etc. It collaborates with the parent municipality's rural economic development and planning departments and local municipalities.

The strategy is to forge partnerships with relevant national and provincial departments with funding for these initiatives. Budget Breakdown per Goal

The 2024/2025 proposed annual budget is summarized as follows: -



The total annual budget for the 2024/2025 financial year amounts to R 84 million, most of which relates to Goal One, followed by Goal Four.

2. RESOLUTIONS

In compliance with Local Government: Municipal Finance Management Act Section, the Board of Directors approves the 2024/2025 annual budget of the Entity. The Board of Directors submits the proposed budget not later than 30 days before the start of the entity's financial year. The parent municipality considers the proposed budget of the entity and assessed the entity's priorities and objectives. This will then be formalised in a service delivery agreement to be entered into by the two parties.

3. EXECUTIVE SUMMARY

The 2024/2025 proposed budget amounts to R 99,1 Million and the capital budget amounts to R0,2. This gives a total 2024/2025 budget of R99,4 million compared to the previous 2023/2024 financial year budget of R 86,3 Million.

Grant funding from the parent municipality for the 2024/2025 financial year is R49,5 million. For the 2025/2026 financial year is R 51,8 Million and R54,1 million for the 2026/27 financial year.

South Africa's GDP increased at an annualised rate of 3,5% in the first quarter (January to March) of 2023 when compared to the previous quarter (October to December) of 2022. Year-to-year budget increase is estimated to be approximately 5%. There is a 5% estimated increase in salaries and wages budget.

The introduction of the Meat Market at Kei Fresh Produce Market will increase the Abattoir revenue dramatically during the 2024/25 financial year, the meat is supplied by the Abattoir. Abattoir revenue is expected to grow at an average rate of 16% on a year-to-year basis.

Funds that are not readily required for operational requirements are invested in call deposits in line with the investment policy. Net assets position is expected to be sound into the foreseeable future with assets exceeding liabilities.

4. SUPPORTING DOCUMENTATION

4.1 Overview of the 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, the activities to be carried out by the entity are outlined. In addition, the Board of Directors develops and adopts a strategy for implementing the mandate. All of these are then used to inform budget proposals. Heads of departments prepare departmental budgets for submission to the chief financial officer to check alignment with the strategy and consolidation. The consolidated budget is then considered by the Board Committee before it is discussed and approved by the Board of Directors.

4.2 Overview of alignment of the 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 and is represented in meetings of the Board of Directors as a means of oversight. The entity's financial reports are submitted to the parent municipality monthly. Furthermore, the parent municipality's council discusses quarterly performance reports and financial reports. The entity is also subject to Municipal Public Accounts Committee processes.

4.3 Overview of budget-related policies

Listed below are Ntinga's budgeted related policies.

- Asset management policy
- Credit control policy
- Banking and Investment policy
- Budget policy
- SCM Policy and Petty Cash policy
- Irregular and Fruitless Expenditure policy
- Cost Containment Policy

Management reviewed the policy; no changes were required, and all the policies are not yet due for review.

4.4 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) Improved returns on investments made on projects such as the abattoir and the fresh produce market are expected in the 2024/2025 financial year.
- c) Year-to-year price increase is estimated to be approximately 3,5%. This is informed by the struggling economic outlook.
- d) 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 the three trading enterprises being Adam Kok Farms, Abattoir, and the Fresh Produce Market thereby maximizing return on investment.
- e) The Entity has budgeted for depreciation in value of assets.

4.5 Overview of budget funding

The budget is partly funded from grant funding from the Parent Municipality.

Own revenue in the form of the fresh produce market commission, crop and livestock sales and the abattoir operations is expected to improve.

5. 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.

6. Other supporting information on expenditure

- a) Estimates of year-to-year budgets are based on the costing of projects and programs.
- 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.
- c) The board and committees' fees budget have been made available for board and committee meetings. It is expected that the Board and its Committees will hold a minimum of four meetings each during the year. The budget includes all board-related expenses such as travelling and accommodation.

7. QUALITY CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Loyiso Mbiko, Chief Executive Officer of Ntinga O.R. Tambo Development Agency SOC LTD hereby certify that the 2024/2025 annual budget has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the proposed annual budget is consistent with the integrated development plan of the parent municipality and the Entity's strategy.

A handwritten signature in black ink, appearing to read 'Loyiso Mbiko', is written over a horizontal line.

L. Mbiko

Chief Executive Officer

8. Budget Tables

NTINGA O.R. TAMBO DEVELOPMENT AGENCY SOC LTD ANNUAL BUDGET FOR THE 2024/2025 FINANCIAL YEAR

BUDGETED STATEMENT OF FINANCIAL PERFORMANCE

Description	2022/23	Medium Term Revenue and Expenditure Framework							
	Audited Outcome	Adjusted Budget 2021/2022	Budget year 2022/2023	Adjusted Budget 2022/2023	Budget Budget year 2023/2024	Adjusted Budget 2023/2024	Budget year 2024/2025	Budget year 2025/2026	Budget year 2026/2027
Rands									
Revenue by Source									
Fresh Farm Products - Meat and slaughter services	11 008 388	15 872 319	23 713 445	18 137 155	21 354 020	19 985 298	29 835 879	44 341 256	68 539 359
Kei Fresh Produce Market revenue	318 298	956 633	2 805 338	486 414	3 769 771	2 120 000	2 275 400	2 804 520	3 466 676
Interest earned - external investments	192 094	70 000	250 000	250 000	300 000	500 000	525 000	551 250	578 813
Special Projects and other conditional grants	-	837 735	2 400 000	2 000 000	5 000 000	3 846 395			
Transfers and Subsidies (ORTDM)	53 997 661	45 993 598	49 553 214	49 553 214	52 526 407	49 553 214	49 553 215	51 832 663	54 165 133
Water Services - Debt recovery	-	42 000	-	6 192 800	-	897 023	-	-	-
Other revenue	62 669	179 246	75 000	40 000	85 000	195 000	204 750	214 988	237 024
Rental Income from the Farm	381 813	2 933 440	4 632 568	3 848 284	6 161 512	5 714 512	250 000	1 680 000	1 764 000
Adjustments to biological assets	374 374	2 150 000	2 150 000	2 150 000	2 150 000	2 150 000	3 685 334	3 452 031	3 624 633
Gains on disposal of PPE	1 577 337	40 000	40 000	40 000	40 000	1 500 000			
Decrease in provision for doubtful debts			-	-	-		-	-	
Donation of Assets by parent municipality			-	-	-		-	-	
Total Revenue	67 912 634	77 113 637	85 619 565	82 697 867	91 386 710	86 461 443	86 329 579	104 876 708	132 375 637
Expenditure By Type									
Employee related costs	40 089 374	47 289 849	42 771 483	43 209 237	44 910 057	41 991 110	44 670 265	46 903 779	49 248 968
Board of Directors Allowances	1 112 249	765 305.07	850 000	960 000	1 002 500	904 078	1 264 689	1 327 923	1 394 320
Board of Directors Travelling, Accommodation & other		111 585	338 305	359 890	350 600	140 000	80 000	84 000	88 200
Depreciation	4 773 762	-	3 756 922	3 756 922	3 756 922	4 767 450	4 007 370	4 161 896	4 324 149
Finance charges	1 387 695	10 000	50 312	50 312	55 343	55 343	574 369	603 088	633 242
Fresh Produce Market Operations	1 793 549	2 288 642	3 730 928	2 955 354	4 422 895	3 922 319	2 743 144	2 880 301	3 024 316
Abattoir Operations	11 502 306	5 876 729	3 891 926	4 964 970	5 341 625	15 728 041	17 627 160	28 088 442	45 584 778
Farms Operations	4 393 909	11 206 402	16 977 318	14 138 022	17 519 601	4 848 501	4 848 097	5 090 502	5 345 027
Other Operating Expenditure	9 235 990	7 532 362	9 044 980	8 469 080	10 586 472	7 906 713	8 160 526	8 568 552	8 996 980
Adjustments to Biological Assets	381 000	80 000	100 000	80 000	100 000		105 000	115 000	120 750
Total Expenditure	74 669 834	75 408 375	82 463 425	79 906 102	88 206 015	83 892 229	84 080 621	97 823 483	118 760 729
Surplus/ (Deficit) for the year	-6 757 200	1 705 262	3 156 140	2 791 766	3 180 695	2 569 214	2 248 958	7 053 224	13 614 908
Capital Expenditure	-	1 701 400	2 671 200	2 305 506	3 140 273	2 475 000	982 268	772 631	811 263
Surplus/(deficit)	-6 757 200	3 862	484 940	486 260	40 422	94 214	1 266 690	6 280 593	12 803 645

NTINGA O.R. TAMBO DEVELOPMENT AGENCY SOC LTD ANNUAL BUDGET FOR THE 2024/2025 FINANCIAL YEAR

Table D4 - Budgeted Statement of Financial Position

	2010/2021	2021/2022		Medium Term Revenue and Expenditure Framework						
Description	Audited Outcomes	Audited Outcomes	Audited Outcomes	Budget year 2022/2023		Budget year 2023/2024	Budget year 2023/2024	Budget year 2024/2025	Budget year 2025/2026	Budget year 2026/2027
Rands				Original Budget	Adjusted Budget		Adjusted Budget			
ASSETS										
Current assets										
Cash and Cash Equivalents	3 309 325	4 926 922	3 694 242	5 710 833	764 515	1 200 000	1 363 000	1 500 000	5 500 000	22 072 925
Receivables from Exchange Transaction	69 942	108 886	1 729 471	640 000	100 000	180 000	180 000	200 000	220 000	220 000
Receivables from Non-Exchange Transa	8 096 955	259 409	305 808	192 418	192 578	210 000	210 000	220 000	250 000	250 000
Inventory	4 060 041	4 215 315	2 333 683	4 100 000	4 100 000	4 500 000	2 000 000	1 500 000	2 500 000	1 900 000
Total current assets	15 536 263	9 510 532	8 063 204	10 643 251	5 157 093	6 090 000	3 753 000	3 420 000	8 470 000	24 442 925
Non current assets										
Property, plant and equipment	56 174 980	50 963 836	47 939 153	55 991 434	49 512 420	48 895 771	45 646 703	44 914 050	41 524 785	38 011 899
Biological assets	13 173 660	14 567 854	13 732 163	9 785 816	9 304 245	10 500 000	13 000 000	14 000 000	16 500 000	17 000 000
Intangible assets	483 522	220 360	118 235	700 000	200 000	196 280	196 280	200 000	188 000	188 000
Non current assets held for sale		282 369	-	-	-	-		-		
Total non current assets	69 832 162	66 034 419	61 789 551	66 477 250	59 016 665	59 592 051	58 842 983	59 114 050	58 212 785	55 199 899
TOTAL ASSETS	85 368 425	75 544 951	69 852 754	77 120 501	64 173 758	65 682 051	62 595 983	62 534 050	66 682 785	79 642 824
LIABILITIES										
Current liabilities										
Taxes (VAT)	8 470 750	13 502 173	14 832 454	390 000	1 372 402	700 000	700 413	2 500 000	951 096	950 000
Unspent Conditional Government Grants	2 506 652	2 189 401	1 689 802	2 500 000	2 500 000	2 500 000	2 500 000	3 000 000	950 000	550 000
Payables from exchange transactions	7 071 895	6 915 042	6 721 368	4 600 000	5 600 000	5 500 000	5 500 000	5 000 000	4 153 772	4 000 000
Payables from non-exchange transaction	446 974	446 974	446 974	446 973	446 973	446 973	446 973	446 973	446 973	446 973
Current employee benefits	4 788 007	5 661 468	4 996 324	3 800 000	4 700 000	3 800 000	3 800 000	3 696 893	3 000 000	2 900 000
Current portion of long term- liabilities	296 953	67 281	90 072							
Total current liabilities	23 581 231	28 782 339	28 776 994	11 736 973	14 619 375	12 946 973	12 947 386	14 643 866	9 501 842	8 846 973
Non current liabilities	67 281	-	205 047	-		-	-	-		
TOTAL LIABILITIES	23 648 512	28 782 339	28 982 040	11 736 973	14 619 375	12 946 973	12 947 386	14 643 866	9 501 842	8 846 973
NET ASSETS	61 719 913	46 762 612	40 870 714	65 383 528	49 554 383	52 735 078	49 648 597	47 890 184	57 180 943	70 795 851
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	61 719 906	46 762 617	40 870 669	65 383 529	49 554 383	52 735 078	49 648 597	47 890 184	57 180 943	70 795 851
TOTAL COMMUNITY WEALTH/EQUIT	61 719 906	46 762 617	40 870 669	65 383 529	49 554 383	52 735 078	49 648 597	47 890 184	57 180 943	70 795 851

NTINGA O.R. TAMBO DEVELOPMENT AGENCY SOC LTD ANNUAL BUDGET FOR THE 2024/2025 FINANCIAL YEAR

Table D5 - Budgeted Cash Flow Statement

Description	2020/2021	2021/2022	Medium Term Revenue and Expenditure Framework						
Rands	Audited Outcome	Audited Outcome		Budget year 2022/2023		Budget year 2023/2024	Budget year 2024/2025	Budget year 2025/2026	Budget year 2026/2027
			Adjusted Budget	Original Budget	Adjusted Budget				
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Sales of goods and services	11 336 306	14 549 332	10 104 183	31 151 351	30 954 653	36 670 303	33 091 029	49 592 013	74 585 871
Grants and public contributions	45 002 446	46 767 379	54 060 731	51 853 214	49 553 214	52 526 407	49 553 215	51 832 663	54 165 133
Interest	194 956	112 397	192 094	250 000	250 000	300 000	525 000	551 250	578 813
Payments									
Suppliers and employees	-66 591 455	-60 580 464	-66 018 372	-78 258 118.00	-82 634 456	-89 085 882.49	-81 312 607.23	-96 600 207.74	-111 312 387
Finance charges	-263 153	-110 166	-1 387 695	-50 312	-50 312	-55 343	-574 369	-603 088	-633 242
Transfers and Grants	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACT	-10 320 900	738 478	-3 049 059	4 946 135	-1 926 901	355 485	1 282 268	4 772 631	17 384 188
CASH FLOWS FROM INVESTING ACTIVITIES									
Proceeds on disposal of Property, Plant and Equipment	1 243	1 256 240	176 780	80 000	70 000	80 000	-	-	-
Proceeds on disposal of Biological Assets	3 126 062	264 291	2 985 624	-	-	-	-	-	-
Purchase of Intangible Assets	-68 523	-	-	-	-	-	-	-	-
Purchase of Biological Assets	-2 096 900	-218 347	-	-	-	-	-	-	-
Purchase of Property, Plant and Equipment	-764 470	-126 114	-1 271 703	-2 671 200	-2 305 506	-	-982 268	-772 631	-811 263
NET CASH FROM/(USED) INVESTING ACTIVITIES	197 412	1 176 070	1 890 701	-2 591 200	-2 235 506	80 000	-982 268	-772 631	-811 263
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts	377 094	-	-	-	-	-	-	-	-
Repayment of borrowing	-222 815	-296 951	-74 322	-150 000	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	154 279	-296 951	-74 322	-150 000	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	-9 969 209	1 617 597	-1 232 680	2 204 935	-4 162 407	435 485	300 000	4 000 000	16 572 925
Cash/cash equivalents at beginning of the year	13 278 532	3 309 325	4 926 922	3 505 898	4 926 922	764 515	1 200 000	1 500 000	5 500 000
Cash/cash equivalents at the year end:	3 309 323	4 926 922	3 694 242	5 710 833	764 515	1 200 000	1 500 000	5 500 000	22 072 925

9. RISK

Ntinga continues to face the liquidity and going concern risk. The continues losses from its profit centres is expected to continue over the mid-term budget framework. The balance is very tight, if any of the revenue targets is missed whilst costs remain mainly fixed, the entity might face a serious cash flow crisis. The Management will meet in February to look at potential solutions to address this challenge. The outcome of this planned strategy session might impact the final proposed FY 2024/ 2025 budget.

Listed below are the budget outcomes of each profit centre:

Abattoir Budget

		Adjusted 2023/2024 Buget	2024/2025 Buget	2025/2026 Buget	2025/2027 Buget
Revenue		19,985,298.43	20,185,151.42	20,387,002.93	20,590,872.96
Abattoir		8,121,728	8,202,945	8,284,974	8,367,824
	Meat - beef	6,722,690	6,789,917	6,857,816	6,926,394
	Meat - pork	790,904.78	798,813.82	806,801.96	814,869.98
	Meat - Mutton	395,452.39	399,406.91	403,400.98	407,434.99
	Slaughter fees	212,680.53	214,807.34	216,955.41	219,124.96
Meat Market		11,863,571	11,982,206	12,102,029	12,223,049
	Meat - beef	10,084,035.00	10,184,875.35	10,286,724.10	10,389,591.34
	Meat - pork	1,186,357.16	1,198,220.73	1,210,202.94	1,222,304.97
	Meat - Mutton	593,178.58	599,110.37	605,101.47	611,152.48
Expenditure		15,728,041	16,318,050	16,637,183	16,966,681
Profit / (Loss) before salaries		4,257,257	3,867,101	3,749,820	3,624,192
Salaries		5,262,383	5,257,055	5,544,098	5,860,435
Profit / (Loss) after salaries		(1,005,126)	(1,389,954)	(1,794,278)	(2,236,243)
Capex Required					
Required Cash		(1,005,126)	(1,389,954)	(1,794,278)	(2,236,243)
Donated cows from Adam Kok		-1,528,800	-1,248,000	-1,248,000	-1,248,000
Actual Loss		(2,533,926)	(2,637,954)	(3,042,278)	(3,484,243)

Adam Kok Farm Budget

	Adjusted2023/2024 Budget	2024/2025 Buget	2025/2026 Buget	2025/2027 Buget
Revenue	5,714,512	3,808,000	4,138,400	4,345,320
Cattle sales to other markets	4,994,512	2,800,000	3,080,000	3,234,000
Crop sales	720,000	1,008,000	1,058,400	1,111,320
Revenue before cattle transferred to abattoir	5,714,512	3,808,000	4,138,400	4,345,320
Cattle transfers to abattoir	1,528,800	1,248,000	1,248,000	1,248,000
Revenue after cattle transfers to abattoir	7,243,312	5,056,000	5,386,400	5,593,320
Total expenditure	4,848,501	5,090,926	5,345,472	5,612,746
Profit/(Loss before salaries	2,394,811	(34,926)	(1,207,072)	(1,267,426)
Salaries	6,840,480	6,554,046	6,911,905	6,860,746
Profit/(Loss after salaries	(4,445,669)	(6,588,971)	(8,118,977)	(8,128,171)

FKPM Budget

	Adjusted 2023/2024 Buget	2024/2025 Buget	2025/2026 Buget	2025/2027 Buget
Commission	1,210,000	3,500,000	3,675,000	3,858,750
Other income	910,000	1,804,348	1,894,566	1,989,294
Cold Room	250,000	540,000	567,000	595,350
Forklift rental	80,000	150,000	157,500	165,375
Storage fees	400,000	780,452	819,475	860,449
Parking fees	120,000	243,476	255,650	268,433
Potatoes washing	60,000	90,420	94,941	99,688
Total income	2,120,000	5,304,348	5,569,566	5,848,044
Operational Expenditure	3,922,319	4,118,435	4,324,357	4,540,575
Profit/(Loss) before salaries	(1,802,319)	1,185,913	1,245,209	1,307,470
Salaries	3,328,680	3,261,590	3,261,590	3,447,691
Profit/(Loss) after salaries	(5,130,999)	(2,075,677)	(2,016,380)	(2,140,221)
Capex				
Required Cash	(5,130,999.00)	(2,075,676.73)	(2,016,380.48)	(2,140,221.03)

