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## **INFORMATION ITEM MEMORANDUM**

Date : 10 July 2023

### **MFMA SECTION 87(11): NTINGA'S BUDGET IMPLEMENTATION REPORT FOR FOURTH QUARTER ENDING 30 JUNE 2023**

#### **1. PURPOSE:**

- [1.1] The purpose of this memorandum is to submit Ntinga's 2022/2023 financial year budget implementation report for the Fourth Quarter ending 30 June 2023 in compliance with sections 87(11, 12, 13 & 14) of the Municipal Finance Management Act (Act No. 56 of 2003).
- [1.2] Sections 87(11), 87(12), 87(13) & 87(14) of the Municipal Finance Management Act (Act No. 56 of 2003) states that:-

The Accounting Officer of a municipal entity must by not later than seven working days after the end of each month submit to the Accounting Officer of the parent municipality a statement in the prescribed format on the state of the entity's budget, reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) Actual borrowings;
- (c) Actual expenditure;
- (d) Actual capital expenditure;
- (e) The amount of any allocations received;
- (f) Actual expenditure on those allocations, excluding expenditure on allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

Ntinga O. R. Tambo Development Agency SOC Ltd: A Municipal entity of the O.R. Tambo District Municipality (Reg. 2016/272582/30)  
Directors: Dr L. L. Ndabeni (Chairperson), Dr N.T Ndudane, Mr T Yako, Mr. L Mbiko (CEO), Adv. S Mancotywa, Z.W Xalisa  
M.J Sikhosana, Mr. M.P Madikiza, Ms. S Ndlondlwana (Company Secretary).

(g) When necessary, an explanation of:-

- (i) Any material variances from the entity's projected revenue by source, and from the entity's expenditure projections;
- (ii) Any material variances from the service delivery agreement and the business plan; and
- (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the entity's approved budget.

The statement must include a projection of revenue and expenditure for the rest of the financial year, and any revisions from initial projections.

The amounts reflected in the statements must in each case be compared with the corresponding amounts budgeted for in the entity's approved budget.

The statement to the accounting officer of the municipality must be in the format of a signed document and in electronic format.

## **2. SUMMARY:**

The Board of Directors of a Municipal Entity must play an oversight role over its municipal entity by monitoring and ensuring that the Municipal Entity reports to parent municipality on all revenue, borrowings, expenditure incurred and any allocations received by that Municipal Entity. This report relates to the Fourth Quarter ending 30 June 2023.

## **2.1. DISCUSSIONS**

**2.1.1.** The table below presents **revenue by source and expenditure by type:**

|   | 2021/2022          | 2021/2022         |                      |                   |                   |                    |                  |                     |                     |
|---|--------------------|-------------------|----------------------|-------------------|-------------------|--------------------|------------------|---------------------|---------------------|
| Description                                   | Audited Outcomes   | Original Budget   | Adjusted Budget      | Q4 Actual         | Q4 Budget         | Q4 Variance Amount | Q4 23 Variance % | Year to Date Actual | Year to Date Budget |
|   | R                  | R                 |                      | R                 | R                 | R                  | R                | R                   |                     |
| <b>Revenue By Source</b>                      |                    |                   |                      |                   |                   |                    |                  |                     |                     |
| Abattoir Revenue                              | R 12,963,761       | 23,713,445        | 18,137,155.40        | 2,645,317         | 2,975,469         | 330,152            | 11%              | 11,008,461          | 18,137,155          |
| Adam Kok Farms                                | R 243,380          | 4,632,568         | 3,848,284.00         | 1,591,372         | 2,335,284         | 743,912            | 32%              | 1,842,103           | 3,848,284           |
| Water Services Revenue                        | R 670,824          | 0                 | 6,192,799.79         | 0                 | 0                 | 0                  | 100%             | 0                   | 6,192,800           |
| Kei Fresh Produce Market (KFPM) F             | R 545,683          | 2,805,338         | 486,414.10           | 60,091            | 80,243            | 20,152             | 25%              | 318,298             | 486,414             |
| ORTDM Grant - Operations and sta              | R 46,718,154       | 49,553,214        | 49,553,214.00        | 13,031,474        | 13,031,474        | 0                  | 0%               | 49,553,214          | 49,553,214          |
| Consultancy fees                              | R 0                | 2,400,000         | 2,000,000.00         | 0                 | 0                 | 0                  | 0%               | 0                   | 2,000,000           |
| Other Grants and Subsidies                    | R 0                | 0                 | -                    | 20,828            | 0                 | -20,828            | 0%               | 81,786              | 0                   |
| Interest earned - external investment         | R 112,397          | 250,000           | 250,000.00           | 46,107            | 75,000            | 28,893             | 39%              | 192,094             | 250,000             |
| Other revenue                                 | R 451,956          | 75,000            | 40,000.00            | 21,167            | 40,000            | 18,833             | 100%             | 1,483,942           | 40,000              |
| Adjustments to Biological Assets              | R 5,716,732        | 2,150,000         | 2,150,000.00         | 4,000             | 2,150,000         | 2,146,000          | 0%               | 72,800              | 2,150,000           |
| Gains on disposal of PPE                      | R 1,203,559        | 40,000            | 40,000.00            | 0                 | 40,000            | 40,000             | 0%               | 294,748             | 40,000              |
| <b>Total Revenue</b>                          | <b>68,626,446</b>  | <b>85,619,565</b> | <b>82,697,867.29</b> | <b>17,420,356</b> | <b>20,727,470</b> | <b>3,307,114</b>   | 16%              | <b>64,847,446</b>   | <b>82,697,867</b>   |
| <b>Expenditure By Type</b>                    |                    |                   |                      |                   |                   |                    |                  |                     |                     |
| Employee related costs                        | 44,339,701         | 42,771,483        | 43,209,237           | 9,509,732         | 10,485,900        | 976,168            | 9%               | 41,950,425          | 43,209,237          |
| Board of Directors related costs              | 840,769            | 1,188,305         | 1,319,890            | 499,703           | 501,738           | 2,035              | 0%               | 1,027,330           | 1,319,890           |
| Depreciation & asset impairment               | 5,265,370          | 3,756,922         | 3,756,922            | 1,137,878         | 939,228           | -198,650           | -21%             | 4,336,922           | 3,756,922           |
| Finance charges                               | 110,166            | 50,312            | 50,312               | 2,561             | 12,578            | 10,017             | 80%              | 84,616              | 50,312              |
| Repairs and Maintenance                       | 56,533             | 151,250           | 162,315              | 44,132            | 43,347            | -785               | -2%              | 113,791             | 162,315             |
| Operational costs                             | 32,511,017         | 34,445,153        | 31,327,426           | 3,825,955         | 6,427,240         | 2,601,285          | 40%              | 22,694,021          | 31,327,426          |
| Losses - biological assets                    | 460,180            | 100,000           | 80,000               | 92,193            | 0                 | -92,193            | 0%               | 378,409             | 80,000              |
| <b>Total Expenditure</b>                      | <b>83,583,736</b>  | <b>82,463,426</b> | <b>79,906,102</b>    | <b>15,112,154</b> | <b>18,410,030</b> | <b>3,297,877</b>   | 18%              | <b>70,585,514</b>   | <b>79,906,102</b>   |
| <b>Profit before tax/surplus for the year</b> | <b>-14,957,290</b> | <b>3,156,139</b>  | <b>2,791,766</b>     | <b>2,308,202</b>  | <b>2,317,439</b>  | <b>9,237</b>       | <b>0</b>         | <b>-5,738,068</b>   | <b>2,791,766</b>    |

**OVERALL SUMMARY OF THE FINANCIAL REPORT IS PRESENTED AS FOLLOWS**

| <b>DESCRIPTION</b>            | <b>Audited Outcomes</b> | <b>Original Budget</b> | <b>Adjustment Budget</b> | <b>Q4 Actual</b> | <b>Q4 Budget</b> | <b>Q4 March 23</b> | <b>Q4 Variance %</b> | <b>Year to Date Actual</b> | <b>Year to Date Budget</b> |
|-------------------------------|-------------------------|------------------------|--------------------------|------------------|------------------|--------------------|----------------------|----------------------------|----------------------------|
|                               | <b>R</b>                | <b>R</b>               |                          | <b>R</b>         | <b>R</b>         | <b>R</b>           | <b>R</b>             |                            |                            |
| Total Revenue                 | 68,626,446              | 85,619,565             | 82,697,867               | 17,420,356       | 20,727,470       | 3,307,114          | 16%                  | 64,847,446                 | 82,697,867.29              |
| Total Operational Expenditure | 83,583,736              | 82,463,426             | 79,906,102               | 15,112,154       | 18,410,030       | 3,297,877          | 18%                  | 70,585,514                 | 79,906,102                 |
| Total Capital expenditure     | 126,114                 | 2,671,200.00           | 2,305,506                | 749,634          | 800,000          | 9,237              | 1%                   | 1,306,614                  | 2,305,506                  |

### 2.1.2. Revenue Analysis

- a) For the quarter ending June 2023 the entity projected to generate revenue amounting to R20,7 Million but actual revenue amounted to R17,4 Million resulting in a negative variance of R3,3 Million.
- b) Abattoir has under achieved it's target by 11%. The emergence of the new competitor called for the intensive marketing of the Abattoir and product differentiation in order to stabilize the Abattoir revenue.
- c) Adam Kok has under achieved it's target by 32% in this quarter. This is attributed to unfavourable market prices than planned.

d) Kei Fresh Produce Market :

The Market Agent managed to sell only potato seeds in April 2023. In May and June 2023, the Market Agent did not operate at all.

Market management is waiting for the Market Agent based in Joburg to arrive onsite as per the arrangement. Secondly, regarding Local Market Agent, funding applications have been submitted to various funders and awaiting responses. KSD recently switched off power again.

- e) ORTDM Operational Grant: The grant is collected as planned.
- f) Consultancy fees were not realised as planned mainly from ORTDM projects.
- g) Other Grants Received: This is a SETA grant.
- h) Interest Received: 6m owed by ORTDM was expected to be collected, but not. This has resulted in underachievement of this target.
- i) Other Income: 6,1m is recoverable from ORTDM. The 1,4m received is in relation to the current year salaries paid to the discontinued Water Services Function.
- j) Adjustments to biological assets: the valuation of biological assets has been done and calculations are being performed to determine the fair value adjustment.

The table below shows a comparison of main own revenue generated by source with the same period in the previous financial year:-

|    | <b>Description</b>                | <b>Q4 revenue in 2022/23</b> | <b>Q4 revenue in 2021/22</b> |
|----|-----------------------------------|------------------------------|------------------------------|
|    |                                   |                              |                              |
| a) | Meat sales                        | 2,645,318                    | 2,909,966                    |
| b) | Livestock sales by Adam Kok Farms | 1,458,175                    | 878,600                      |
| c) | Livestock supplied to Umzikantu   | 2,000,602                    | 944,067                      |
| d) | Crop sales                        | 133,197                      | 121,757                      |
| e) | KFPM Commission                   | 2,682                        | 19,706                       |

### **2.1.3. Operational Expenditure Analysis**

For the fourth quarter the entity projected to spend R 18,4 Million on operations. Actual spending amounted to R 15,1 Million resulting in a positive variance of R 3,2 Million.

- a) Employee related costs: The positive variance is caused by vacant positions not yet filled.
- b) Board of Directors and related costs: had insignificant variance.
- c) Depreciation: the actual amount exceeded the budgeted amount. The variance will be funded from savings from other expenditure items.
- d) Finance charges and repairs and maintenance: The variance in finance charges is caused by discontinued Water Services Function vehicles being by other departments and escalations in interest rates. Repairs were not rapid as anticipated.
- e) Operational Costs: we have spent less than anticipated with a positive variance of 26%. This is due to expenditure like livestock purchases that were not sourced as anticipated. For this quarter livestock were sourced from the Farms.
- f) Livestock losses (deaths): These are mainly caused by dams that are silted, cow get stuck and die. Red Water is also another cause of these deaths.

f)(1) List of animal deaths

| No | Tag No.      | Breed/gender | Breed/gender       | Amount            |
|----|--------------|--------------|--------------------|-------------------|
| 1  | 52704        | FEMALE       | SIMBRA             | 17,500.00         |
| 2  | 16448        | FEMALE       | BONSMARA           | 17,500.00         |
| 3  | 4048         | HEIFER       | BONSMARA           | 17,200.00         |
| 4  | 23984        | FEMALE       | BRAHMAN CROSS      | 16,800.00         |
| 5  | 4611         | Beef master  | Heifer             | 16,500.00         |
| 6  | 73812        | JERSEY       | COW                | 16,300.00         |
| 7  | 17981        | FEMALE       | BONSMARA           | 16,200.00         |
| 8  | 24526        | HEIFER       | CROSS              | 30,000.00         |
| 9  | 18040        | FEMALE       | BROWNSWISS         | 16,200.00         |
| 10 | 8500         | Beef master  | Heifer             | 16,000.00         |
| 11 | 76026        | FEMALE       | HEREFORDANGASCROSS | 15,000.00         |
| 12 | 24228        | FEMALE       | BONSMARA           | 14,000.00         |
| 13 | 24312        | Cow          | CROSS BREED        | 13,000.00         |
| 14 | 396          | Beef master  | Heifer             | 11,000.00         |
| 15 | 304          | Beef master  | Heifer             | 11,000.00         |
| 16 | 397          | Beef master  | Heifer             | 10,000.00         |
| 17 | 461          | Beef master  | CS                 | 11,000.00         |
| 18 | 655          | Beef master  | Heifer             | 10,000.00         |
| 19 | 594          | Beef master  | Heifer             | 10,000.00         |
| 20 | 349          | Beefmaster   | Heifer             | 10,000.00         |
| 21 | 362          | Beef master  | Heifer             | 8,000.00          |
| 22 | 1164         | Heifer       | Beef master        | 6,000.00          |
| 23 | 4017         | HEIFER       | CROSS FREEZELAND   | 6,000.00          |
| 24 | 1064         | BEEFMASTER   | HEIFER             | 5,300.00          |
| 25 | 967          | STEER        | BEEFMASTER         | 5,000.00          |
| 26 | 1169         | Heifer       | Beef master        | 5,000.00          |
| 27 | 583          | Steer        | Beef master        | 5,000.00          |
| 28 | 590          | Steer        | Beef master        | 5,000.00          |
| 29 | 530          | BEEFMASTER   | STEER              | 5,000.00          |
| 30 | 1195         | BEEFMASTER   | HEIFER             | 15,900.00         |
| 31 | 0927         | Beef Master  | Heifer             | 4,700.00          |
| 32 | 994          | HEIFER       | BEEFMASTER         | 5,000.00          |
| 33 |              | FEMALE       | COW                | 6,950.00          |
|    | <b>Total</b> |              |                    | <b>378,049.00</b> |

#### 2.1.4. Capital Expenditure

For the fourth quarter the entity projected to spend R 0,8m on capital expenditure. The actual expenditure amounted to R0,7m. The construction of the Meat Market is little bit behind schedule but the progress is significant and close to finality.

### 3. Financial performance per profit centre

#### 3.1.1. Umzikantu Abattoir

Abattoir is showing year to year improvement in revenue generation.

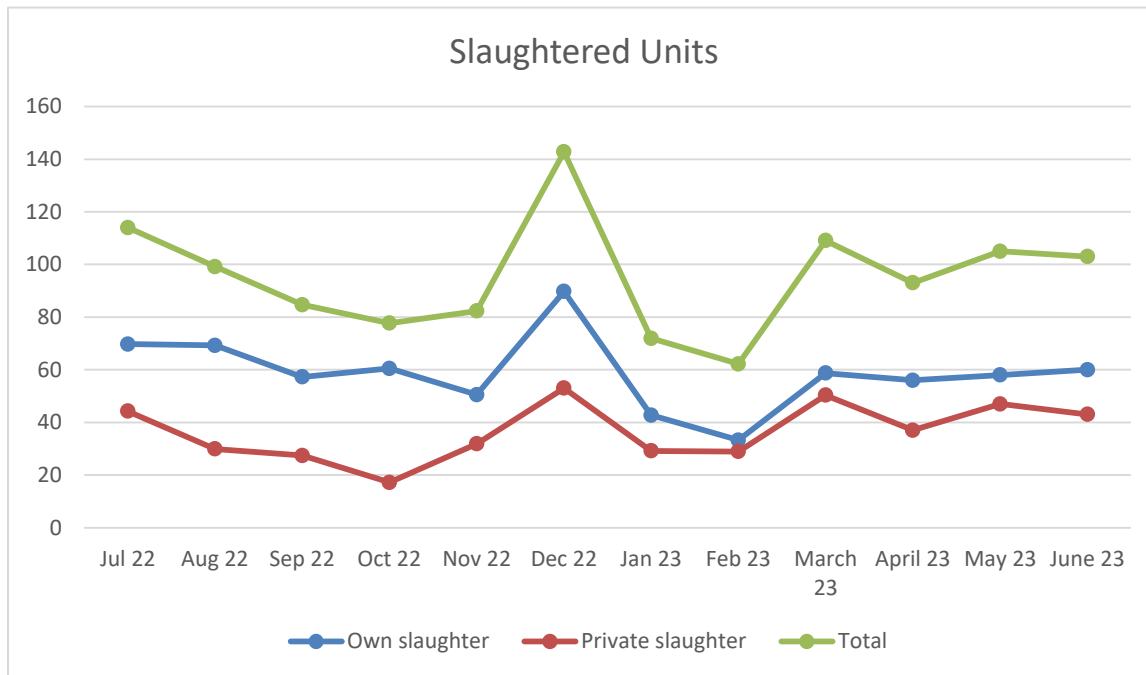
|  | <b>First Quarter<br/>Ending 30<br/>September<br/>2022</b> | <b>Second<br/>Quarter<br/>Ending 31<br/>December<br/>2022</b> | <b>Third Quarter<br/>Ending 31<br/>March 2023</b> | <b>Fourth<br/>Quarter<br/>Ending 30<br/>June 2023</b> | <b>Total</b>      |
|--|---|---|---|---|-------------------|
| <b>Sales</b>                             | <b>3,071,072</b>  | <b>3,134,479</b>  | <b>2,157,592</b>                                  | <b>2,645,318</b>                                      | <b>11,008,461</b> |
| <b>Cost of sales</b>                     | <b>2,666,811</b>  | <b>2,684,730</b>  | <b>1,886,546</b>                                  | <b>2,082,808</b>                                      | <b>9,320,895</b>  |
| Opening stock                            | 151,208   | 219,380   | 150,053   | 165,400   | <b>151,208</b>    |
| Purchases                                | 2,734,983   | 2,615,403   | 1,901,893   | 1,999,703   | <b>9,251,982</b>  |
| Closing stock                            | (219,380)   | (150,053)   | (165,400)   | (82,295)  | <b>-82,295</b>    |
| <b>Gross profit</b>                      | <b>404,261</b>  | <b>449,749</b>  | <b>271,046</b>                                    | <b>562,510</b>  | <b>1,687,566</b>  |
| <b>GP%</b>                               | <b>13%</b>  | <b>14%</b>  | <b>13%</b>  | <b>21,2%</b>  | <b>15%</b>        |
| <b>Other Direct<br/>Production costs</b> | <b>241,945</b>  | <b>304,095.78</b>   | <b>327,155</b>                                    | <b>316,491</b>  | <b>1,189,688</b>  |
| Meat Inspection                          | 32,248  | 48,372.00   | 50,791  | 50,783  | <b>182,194</b>    |
| Repairs                                  | 26,237  | 53,692.30   | 44,565  | 61,261  | <b>185,755</b>    |
| Fuel                                     | 91,782  | 146,351.74  | 125,308   | 114,078   | <b>477,520</b>    |
| Packaging                                | 26,552  | -   | 53,104  | 29,400  | <b>109,056</b>    |
| Hygiene                                  | 10,372  | 9,499.49  | 10,804  | 20,071  | <b>50,746</b>     |
| Depreciation                             | 48,114  | 41,864.25   | 37,570  | 37,304  | <b>164,852</b>    |



|  |                  |                    |                    |                  |                   |
|--|------------------|--------------------|--------------------|------------------|-------------------|
| Wages  | 6,640            | 4,316.00           | 5,014              | 3,594            | <b>19,564</b>     |
|  |                  |                    |                    |                  |                   |
| <b>Gross profit after other direct costs</b> | <b>162,316</b>   | <b>447,594</b>     | <b>(56,109)</b>    | <b>246,019</b>   | <b>497,878</b>    |
|  |                  |                    |                    |                  |                   |
| <b>Indirect costs</b>                        | <b>(748,716)</b> | <b>(1,157,999)</b> | <b>(1,233,452)</b> | <b>1,063,732</b> | <b>-2,076,435</b> |
| Salaries                                     | 548,787          | 827,112.54         | 870,531            | 892,241          | <b>3,138,672</b>  |
| Co-ordination fees                           | 10,871           | 19,044.68          | 15,825             | 22,226           | <b>67,967</b>     |
| Security                                     | 73,913           | 73,913.04          | 123,252            | 110,269          | <b>381,347</b>    |
| Stationery                                   | 26,001           | 12,159.99          | 795                | 6,044            | <b>45,000</b>     |
| Municipal services                           | 56,781           | 193,406.26         | 190,685            | 0                | <b>440,872</b>    |
| Depreciation                                 | 32,363           | 32,363             | 32,363             | 32,952           | <b>130,041</b>    |
| <b>Profit/(Loss)</b>                         | <b>(586,400)</b> | <b>(710,405)</b>   | <b>(1,289,561)</b> | <b>(817,713)</b> | <b>-3,404,079</b> |

The total number of units slaughtered during the period from 01 July to June 2023 is 1,144 made up of 705,75 units for abattoir sales (own slaughter) and 439,01 units for private slaughter. The diagram below depicts a fluctuation in the number of slaughtered units from month to month.

The table below illustrates the number of slaughter units from month to month.

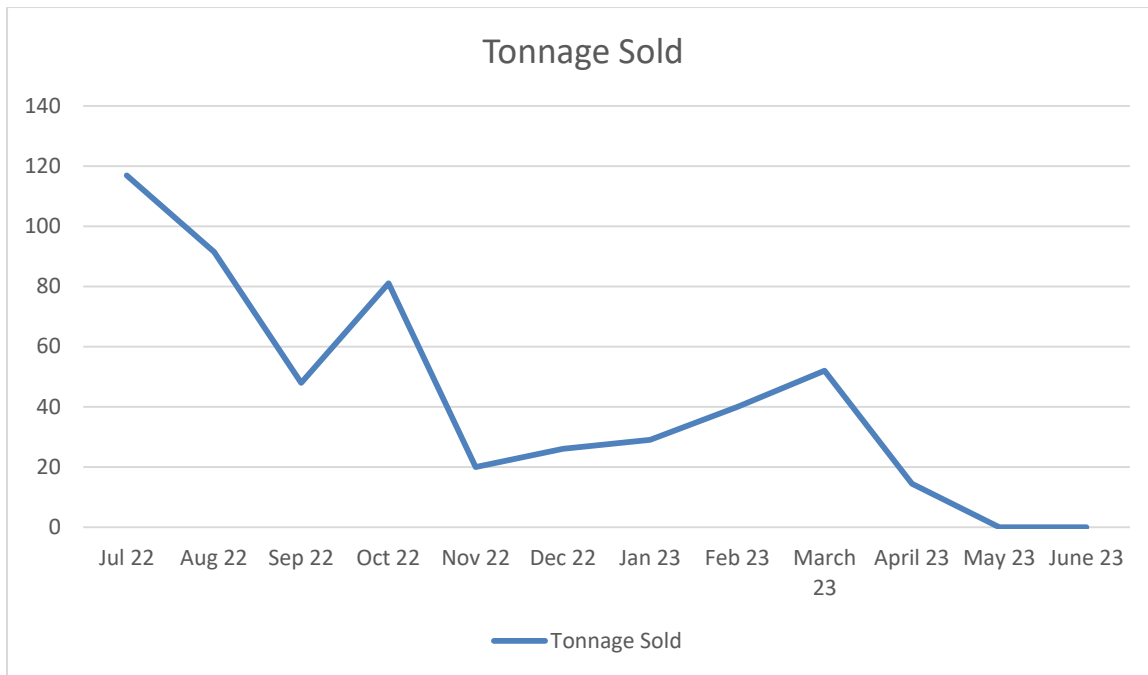


### 3.1.2. Adam Kok Farms

|                                     | <b>First Quarter<br/>Ending 30<br/>September 2022</b> | <b>Second Quarter<br/>Ending 31<br/>December 2022</b> | <b>Third Quarter<br/>Ending 31<br/>March 2023</b> | <b>Fourth Quarter<br/>Ending 30 June<br/>2023</b> |
|-------------------------------------|---|---|---|---|
|                                     |   |   |   |   |
| <b>Sales</b>                        | <b>1,111,111</b>                                      | <b>491,990</b>  | <b>1,943,580</b>                                  | <b>1,591,372</b>                                  |
| Sales of Farm Products<br>– Animals | 1,105,943   | 9,468   | 225,000   | 1,458,175   |
| Sales of Farm Products<br>– Crops   | 5,168   | 3,040   | 240,408   | 133,197   |
| Livestock supplied to<br>Umzikantu  | 0   | 479,482   | 1,478,172   | 0   |
|                                     |   |   |   |   |
| <b>Expenditure</b>                  | <b>2,104,800</b>                                      | <b>2,203,292</b>                                      | <b>2,191,530</b>                                  | <b>2,027,913</b>                                  |
| Employee related costs              | 1,259,371   | 1,255,216   | 1,371,694   | 1,489,649   |
| Personnel and labour                | 0   | 0   | 29,867  | 24,671  |
| Operational costs                   | 845,428   | 741,175   | 789,969   | 513,593   |
|                                     |   |   |   |   |
| <b>Profit/(Loss)</b>                | <b>(993,689)</b>                                      | <b>(1,711,302)</b>                                    | <b>(247,950)</b>                                  | <b>(436,541)</b>                                  |
|                                     |   |   |   |   |

### 3.1.3. Kei Fresh Produce Market

During the first quarter the market sold a total of 256 tons, 127 tons in the second in the second quarter, 121 tons in the third quarter, 14,4 tons in the fourth quarter. These are the drivers of commission revenue.



|                               | <b>First Quarter<br/>Ending 30<br/>September<br/>22</b> | <b>Second Quarter<br/>Ending 31<br/>December 2022</b> | <b>Third Quarter<br/>Ending 31 March<br/>2023</b> | <b>Fourth Quarter<br/>Ending 30 June<br/>2023</b> |
|-------------------------------|---|---|---|---|
| <b>Revenue</b>                |   |   |   |   |
| Commission                    | 45,223  | 12,487  | 14,907  | 2,682   |
| Rentals and hire of equipment | 62,624  | 63,643  | 55,692  | 57,409  |
| <b>Total revenue</b>          | <b>107,847</b>  | <b>76,130</b>   | <b>70,599</b>                                     | <b>60,091</b>                                     |
| <b>Expenditure</b>            | <b>1,248,632</b>  | <b>1,376,938</b>                                      | <b>1,218,361</b>                                  | <b>1,181,791</b>                                  |
| Employee related costs        | 944,063   | 945,250   | 821,685   | 763,535   |
| Personnel and Labour          | 0   | 0   | -   |   |
| Operational costs             | 147,867   | 264,395   | 218,010.11  | 262,086   |
| Depreciation                  | 168,238   | 167,293   | 178,666.41  | 156,169   |
| <b>Total expenditure</b>      | <b>1,248,632</b>  | <b>1,376,938</b>                                      | <b>1,218,361</b>                                  |   |
| <b>(Deficit)</b>              | <b>(1,151,023)</b>                                      | <b>(1,300,808)</b>                                    | <b>(1,147,762)</b>                                | <b>(1,121,700)</b>                                |

### 3.1.4. Water Services

|  | First Quarter<br>Ending 30<br>September<br>2022 | Second<br>Quarter<br>Ending 31<br>December<br>2022 | Third Quarter<br>Ending 31<br>March 2023 | Fourth Quarter<br>Ending 30<br>June 2023 |
|--|---|--|--|--|
| <b>Revenue</b>   |   |  |  |  |
| Other income: refund for<br>employee costs expenditure | 0   | 0  | 1,462,827                                | 0  |
| <b>Total Revenue</b>                                   | <b>0</b>  | <b>0</b>   | <b>1,462,827</b>                         | <b>0</b>                                 |
| <b>Expenditure</b>                                     | <b>1,563,428</b>                                | <b>887,139</b>                                     | <b>417,276</b>                           | <b>192,396</b>                           |
| Employee related costs                                 | 1,453,428                                       | 887,139  | 417,276                                  | 192,396                                  |
| Operational costs                                      | 110,003   | 0  | 0  |  |
| Repairs and maintenance                                | 0   | 0  | 0  |  |
| <b>Deficit</b>   | <b>(1,563,428)</b>                              | <b>(887,139)</b>                                   | <b>1,045,551</b>                         | <b>(192,396)</b>                         |

4. STATEMENT OF FINANCIAL POSITION

| <b>NTINGA O. R. TAMBO DEVELOPMENT AGENCY SOC LTD</b>   |       |                               |                       |
|--|-------|-------------------------------|-----------------------|
| <b>(A MUNICIPAL ENTITY OF THE O. R. TAMBO DISTRICT MUNICIPALITY : REGISTRATION NUMBER: 2016/272582/30)</b> |       |                               |                       |
| <b>STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023</b>  |       |                               |                       |
|  | Notes | 30 JUNE 2023<br>R<br>(Actual) | 2022<br>R<br>(Actual) |
| <b>ASSETS</b>  |       |                               |                       |
| <b>Current Assets</b>  |       | <b>6,956,225</b>              | <b>9,510,531</b>      |
| Cash and Cash Equivalents  | 2     | 3,710,513                     | 4,926,922             |
| Receivables from exchange transactions   | 3     | 1,738,589                     | 108,886               |
| Inventory  | 4     | 1,247,715                     | 4,215,314             |
| Receivables from non-exchange transactions   | 5     | 259,408                       | 259,409               |
| <b>Non-Current Assets</b>  |       | <b>62,074,832</b>             | <b>66,034,418</b>     |
| Property, Plant and Equipment  | 7     | 48,027,143                    | 50,963,836            |
| Intangible Assets  | 8     | 126,745                       | 220,360               |
| Biological Assets  | 9     | 13,920,945                    | 14,567,854            |
| Non-current assets held for sale   | 10    | -                             | 282,369               |
| <b>Total Assets</b>  |       | <b>69,031,057</b>             | <b>75,544,950</b>     |
| <b>NET ASSETS AND LIABILITIES</b>  |       |                               |                       |
| <b>Current Liabilities</b>   |       | <b>28,037,317</b>             | <b>28,782,331</b>     |
| Payables from exchange transactions  | 11    | 5,405,345                     | 6,915,035             |
| Payables from non-exchange transactions  | 12    | 446,974                       | 446,974               |
| Unspent Conditional Government Grants and Receipts   | 13    | 2,561,450                     | 2,189,401             |
| Current Employee benefits  | 14    | 5,661,468                     | 5,661,468             |
| Current portion of long - term liabilities   | 16    | (0)                           | 67,281                |
| Taxes  | 6     | 13,962,080                    | 13,502,173            |
| <b>Non - Current Liabilities</b>   |       | <b>-</b>                      | <b>(1)</b>            |
| Long - term liabilities  | 16    | -                             | (1)                   |
| <b>TOTAL LIABILITIES</b>   |       | <b>28,037,317</b>             | <b>28,782,330</b>     |
| <b>NET ASSETS</b>  |       | <b>40,993,740</b>             | <b>46,762,620</b>     |
| Accumulated Surplus  |       | 41,024,550                    | 46,762,618            |
| <b>TOTAL NET ASSETS</b>  |       | <b>69,031,057</b>             | <b>75,544,950</b>     |

## 5. INVESTMENTS

| <b>Q4 Interest received</b> | <b>Bank balance Investments at 30/06/23</b> | <b>Bank balance Current Accounts at 30/06/23</b> | <b>Total Bank Balances at 30/06/23</b> |
|-----------------------------|---|--|--|
| 46,107                      | 2,555,055                                   | 1,756,459  | 4,311,515                              |

Receivables grossed up by R6,8m owed by ORTDM, the current ratio would be reasonable.

## 6. CONSULTATION

Management made inputs in preparing this report.

## 7. ORGANISATIONAL AND PERSONNEL IMPLICATIONS

There are no organisational or personnel implications.

## 8. REPRESENTATIVITY

This does not apply in this regard.

## 9. CONSTITUTIONAL AND LEGAL IMPLICATIONS

This report is in compliance with section 87(11) of the Municipal Finance Management Act (Act No. 56 of 2003) and any other relevant Regulations and policies.

## 10. FINANCIAL IMPLICATIONS

This report has no financial implications.

## 11. RECOMMENDATIONS

It is therefore recommended that the:

Committee notes in terms of MFMA section 87, Ntinga's 2022/23 Fourth Quarter report for the period ending 30 June 2023.

