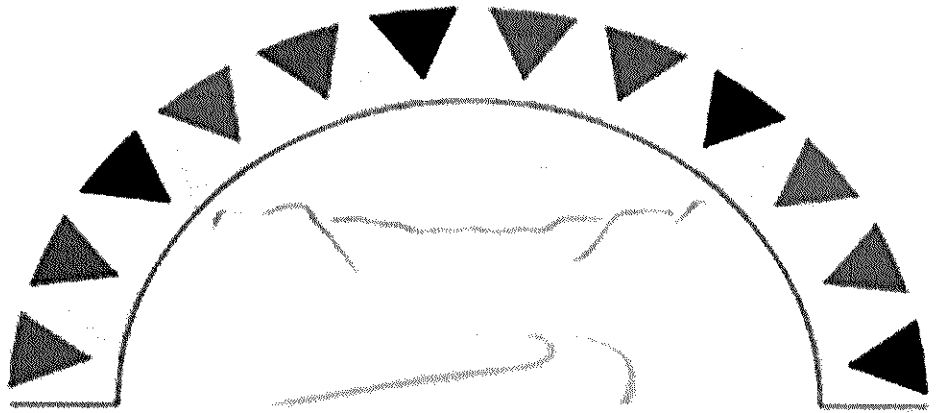


2024



UTHUKELA

Economic Development Agency

**UTHUKELA ECONOMIC
DEVELOPMENT AGENCY
ANNUAL BUDGET**

2024_2025 FINANCIAL YEAR

Budget Overview

	Budget Year 2024/2025	Budget Year 2025/2026	Budget Year 2026/2027
Total operating revenue	10 698 085,82	7 900 691,22	8 282 355,02
Total operating expenditure	7 507 000,00	7 852 322,00	8 213 528,81
Total Grant	2 485 015,82	-	-
surplus/(deficit)	706 070,00	48 369,22	68 826,20
Total capital expenditure	706 070,00	738 549,22	930 000,00
Total Budget	10 698 085,82	8 590 871,22	9 143 528,81

Operating Revenue

The UThukela Economic Development Agency currently relies on grants from its parent Municipality for funding. To achieve financial independence, the Agency aims to diversify its income streams by providing various services. These services include conducting auctions, offering transportation services, providing assistance with CIPC (Companies and Intellectual Property Commission) matters, OSS (One Stop Shop) services, CSD (Central Supplier Database) registrations, handling tax-related issues, offering SMME (Small, Medium, and Micro Enterprises) training, creating business plans, and renting out boardrooms. Additionally, the Agency anticipates generating revenue from the sale of tender documents and receiving refunds from the South African Revenue Service (SARS). This strategic approach aims to reduce dependence on grants and enhance the Agency's financial sustainability.

Operating Expenditure

Salaries are increasing in anticipation of the upcoming advertising and appointment of managerial positions during the 2024/2025 financial year. Board Emoluments are expected to experience a boost in the upcoming fiscal year. The essential functions of the Agency, revolving around programs and projects aimed at fostering local economic development, have seen a rise from R420,000.00 to R1,235,000.00 to ensure effective operation.

Capital Expenditure

With the growing staff numbers, the Agency will need additional office furniture and computer equipment as part of its capital expenditure. Currently, the entire office relies on a single motor vehicle, and this resulted from the write-off of another vehicle in the preceding financial year.

UTHUKELA ECONOMIC DEVELOPMENT AGENCY DRAFT BUDGET 2024/2025

	2024/2025	2025/2026	2026/2027
	ORIGINAL BUDGET	ORIGINAL BUDGET	ORIGINAL BUDGET
OPERATING REVENUE			
SUBSIDY	5 830 000,00	5 408 000,00	5 675 000,00
TRANSFER EXPENDITURE	1 500 000,00	1 569 000,00	1 641 174,00
INTEREST INCOME	100 000,00	104 600,00	109 411,60
OTHER REVENUE	450 000,00	470 700,00	492 352,20
SERVICES REVENUE	250 000,00	261 500,00	273 529,00
LGSETA	83 070,00	86 891,22	90 888,22
REVENUE FROM CONDITIONAL GRANT	2 485 015,82	-	-
TOTAL REVENUE	10 698 085,82	7 900 691,22	8 282 355,02
OPERATING EXPENDITURE			
AUDIT FEES + CIPC ANNUAL RETURN FEES	320 000,00	334 720,00	350 117,12
ADVERTISEMENT & MARKETING	50 000,00	52 300,00	54 705,80
BANK CHARGES	14 000,00	14 644,00	15 317,62
PRINTING AND STATIONERY	75 000,00	78 450,00	82 058,70
CLEANING MATERIAL	75 000,00	78 450,00	82 058,70
BOARD ALLOWANCES & EMOLUMENTS	650 000,00	679 900,00	711 175,40
CAPACITY BUILDING & TRAINING	50 000,00	52 300,00	54 705,80
SUBSISTENCE & TRAVELLING EXPENSES	30 000,00	31 380,00	32 823,48
INSURANCE EXPENSES	80 000,00	83 680,00	87 529,28
TRANSFER EXPENDITURE	1 500 000,00	1 569 000,00	1 641 174,00
FUEL, OIL, SERVICE AND OTHER	50 000,00	52 300,00	54 705,80
SALARIES	2 200 000,00	2 301 200,00	2 407 055,20
SDL	22 000,00	23 012,00	24 070,55
PROGRAMMES AND PROJECTS	1 235 000,00	1 291 810,00	1 351 233,26
TEAM BUILDING & STRATEGIC PLANNING	200 000,00	209 200,00	218 823,20
CONSULTANCY	25 000,00	26 150,00	27 352,90
ACCOMODATION	25 000,00	26 150,00	27 352,90
RENTAL	650 000,00	679 900,00	711 175,40
OFFICE WATER UTILITY	12 000,00	12 552,00	13 129,39
OFFICE ELECTRICITY	50 000,00	52 300,00	54 705,80
DEPRECIATION	194 000,00	202 924,00	212 258,50
SUBTOTAL	7 507 000,00	7 852 322,00	8 213 528,81
PROJECTS	2 485 015,82	-	-
UMHLUMAYO	2 485 015,82	-	-
DRIEFONTEIN	-	-	-
AGRICULTURE PROJECT	-	-	-
CAPITAL EXPENDITURE			
OFFICE FURNITURE	50 000,00	52 300,00	54 705,80
RENOVATIONS	50 000,00	52 300,00	54 705,80
MOTOR VEHICLE	463 000,00	484 298,00	506 575,71
COMPUTER EQUIPMENT	143 070,00	149 651,22	156 535,18
TOTAL CAPITAL EXPENDITURE	706 070,00	738 549,22	772 522,48
TOTAL OPERATIONAL, GRANT AND CAPITAL EXPENDITURE	10 698 085,82	8 590 871,22	8 986 051,30
SUPLUS/(DEFICIT)	-	690 180,00	703 696,28

SERVICES REVENUE RATES FOR 2024/2025 FINANCIAL YEAR

The UThukela Economic Development Agency relies on grants and is funded by its parent organization, the UThukela District Municipality. However, in the upcoming 2024/2025

financial year, the agency plans to offer the following services as part of its strategy to generate revenue.

SERVICES REVENUE	2024/2025 RATES
Auctions	5% of total sales
Transportation services	R6.50 per km
CIPC services	50% of CIPC fee, Maximum R200
OSS services	R100.00
CSD registrations	R100.00
Tax matters	R100.00
SMME Training	R200.00 per training
Business Plans	R400.00
Boardroom rental – Agency	R800.00 per day R100 per hour
Boardroom Rental – UThukela (Executive)	R1000.00 per day R150.00 per hour

PROGRAMMES AND PROJECTS FOR THE 2024/2025 FINANCIAL YEAR

UThukela Economic Development Agency and UThukela District Municipality have entered into a memorandum of understanding that sets up the following objectives:

- To create an enabling and conducive environment for both local and international businesses to thrive.
- To facilitate, coordinate and monitor all district economic development projects.
- To restore business confidence, stakeholder engagements and establishment of the economic development working groups.
- To mobilize and promote the use of local resources and skills thus ensuring maximum local economic development.

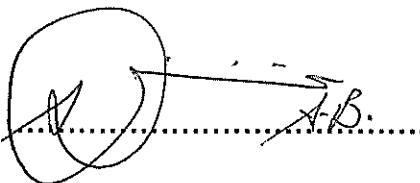
Hence, the Agency will be undertaking the projects listed below:

PROGRAMMES AND PROJECTS	
One stop shop	150,000.00
Small Business Development Unit	75,000.00
Business Hub	100,000.00
Investment conference follow-up dinner	100,000.00
Seeds	350,000.00
Livestock auctions and Agricultural show	200,000.00
Lobbying for a chicken abattoir	50,000.00
Lobbying for an Agricultural market	50,000.00
Tourism routes	75,000.00
Rural and township destination marketing	75,000.00
Market for souvenirs	10,000.00

UThukela District Municipality has full control over its Agency. The Agency has no financial management information system in place to properly control its revenue and expenditure as required by sections 97 & 99 of the Municipal Finance Management Act, however, the Agency has engaged with uThukela District Municipality to assist in adding the Agency as a module to the parent's financial management information system.

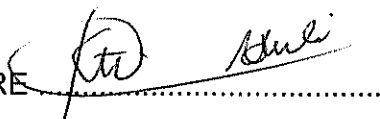
I, **S.B Sibisi**, Acting Chief Executive Officer of UThukela Economic Development Agency, at this moment, certify that this annual budget for 2024/2025 has been prepared per the Municipal Finance Management Act and the regulations made under this Act.

Name: **Mr. S.B Sibisi**
(Acting Chief Executive Officer)

Signature: 

Date: **31 MAY 2024**

I, Nduli KH, in my capacity as the Chairperson of the Board of Directors of UThukela Economic Development Agency, hereby confirm that the adjustment budget was presented and approved during the board meeting held on May 31, 2024.

SIGNATURE 

DATE 31/05/2024