

Final
2024/2025



UTHUKELA ECONOMIC DEVELOPMENT AGENCY

131 MURCHISON STREET

LADYSMITH

3370

0716856599

CEO@ueda.co.za

UTHUKELA ECONOMIC DEVELOPMENT AGENCY SPECIAL ADJUSTMENT BUDGET

2024-2025 FINANCIAL YEAR

2024/2025 SPECIAL ADJUSTMENT BUDGET

	ORIGINAL BUDGET	ADJUSTMENT BUDGET JANUARY 2025		SPECIAL ADJUSTMENT MAY 2025
OPERATING REVENUE				
SUBSIDY	5,830,000	5,830,000	- 1,770,950	4,059,050
TRANSFER EXPENDITURE	1,500,000	1,000,000	-	1,000,000
INTEREST INCOME	100,000	350,780	124,204	474,984
OTHER REVENUE	450,000	300,000	- 120,000	180,000
SERVICES REVENUE	250,000	100,000	- 85,000	15,000
REVENUE FROM CONDITIONAL GRANT	2,485,016	-	2,485,016	2,485,016
TOTAL REVENUE	10,615,016	7,580,780	633,270	8,214,050
OPERATING EXPENDITURE				
AUDIT FEES + CIPC ANNUAL RETURN FEES	320,000	600,000	- 82,000	518,000
ADVERTISEMENT & MARKETING	50,000	30,000	- 19,000	11,000
BANK CHARGES	14,000	14,000	- 4,000	10,000
PRINTING AND STATIONERY	75,000	50,000	11,000	61,000
CLEANING MATERIAL	75,000	50,000	- 8,726	41,274
BOARD ALLOWANCES & EMOLUMENTS	650,000	650,000	- 150,000	500,000
CAPACITY BUILDING & TRAINING	50,000	50,000	- 23,430	26,570
SUSBSISTENCE & TRAVELLING EXPENSES	30,000	30,000	- 20,000	10,000
INSURANCE EXPENSES	80,000	-	-	
TRANSFER EXPENDITURE	1,500,000	1,000,000	-	1,000,000
FUEL, OIL, SERVICE AND OTHER	50,000	20,000	- 15,000	5,000
SALARIES	2,200,000	2,989,866	- 699,763	2,290,103
SDL	22,000	29,899	- 8,399	21,500
PROGRAMMES AND PROJECTS	1,235,000	1,025,000	- 577,915	447,085
TEAM BUILDING & STRATEGIC PLANNING	200,000	49,514	30,486	80,000
CONSULTANCY	25,000	-	-	
ACCOMODATION	25,000	25,000	- 10,000	15,000
RENTAL	650,000	650,000	- 155,000	495,000
OFFICE WATER UTILITY	12,000	12,000	-	12,000
OFFICE ELECTRICITY	50,000	50,000	-	50,000
DEPRECIATION	194,000	135,502	-	135,502
SUBTOTAL	7,507,000	7,460,780	- 1,731,746	5,729,034
PROJECTS	2,485,016	-		2,485,016
UMHLUMAYO	2,485,016	-		2,485,016
DRIEFONTEIN'	-	-		
AGRICULTURE PROJECT	-	-		
CAPITAL EXPENDITURE				
OFFICE FURNITURE	50,000	50,000	- 50,000	
RENOVATIONS	50,000	-	-	
MOTOR VEHICLE	463,000	-	-	
COMPUTER EQUIPMENT	60,000	70,000	- 70,000	
TOTAL CAPITAL EXPENDITURE	623,000	120,000	- 120,000	
TOTAL OPERATIONAL, GRANT AND CAPITA	10,615,016	7,580,780	633,270	8,214,050
SUPLUS/(DEFICIT)				

The 2024/2025 Special Adjustment Budget shows major changes to revenue and expenditure to better align with the entity's operational realities and financial commitments. Below is a detailed narrative outlining the adjustments made:

Revenue Adjustments

Total Revenue has been reduced by R633 thousand from R7,5 million approved in the first adjustment budget passed in January 2025. Major adjustments can be attributed to the following:

- Adjustment to subsidy transfer R1.7 million reduction
- Adjustment to conditional grant transfer R2.4 million (approval uMhlumayo Beef Improvement Project)

Operating Expenditure Adjustments

The agency has implemented cost cutting majors across the board on expenditure items due to budgetary constraints

1. **Audit Fees and CIPC Annual Return Fees:** Higher expenditure was incurred due to the Auditor General audit.
2. **Advertisement and Marketing:** Reduced expenditure, as part of cost-cutting efforts in optional spending.
3. **Printing & Stationery, and Cleaning Materials:** Lower operational costs in these areas reflect more efficient resource utilisation
4. **Insurance Expenses:** Insurance expenses were removed, possibly due to a reallocation of this responsibility or savings from policy renegotiations.
5. **Transfer Expenditure:** Adjustments reflect the salary cost of the Acting CEO only, aligning expenditure with current staffing arrangements.
6. **Salaries:** Adjustments were made to accommodate the Acting CEO's acting allowance, ensuring proper compensation.
7. **Programmes and Projects:** Reduced funding for this item, due to reprioritisation of programs.
8. **Depreciation:** This reduction is due to changes in the depreciation calculation method following the revaluation of useful life.

Net Impact on Operating Expenditure: The adjusted operating expenditure stands at R5.7 million, down by R1.7 million.

Major adjustments amongst other reductions can be attributed to the following:

- Adjustment to board allowances reduction of R150 thousand
- Adjustment to salaries reduction of R699 thousand
- Adjustment to programmes and projects reduction of R577 thousand
- Adjustment to rental reduction of R155 thousand

Capital Expenditure Adjustments

1. **Office furniture:** Reflects scaled-back purchasing activities, for budgetary efficiency.
2. **Computer Equipment:** The purchase of computer equipment has been removed, due to the shortage of funds
3. **uMhlumayo Beef Improvement Project:** an allocation of R2.4 million has been added onto a budget after the approval of the project by COGTA.

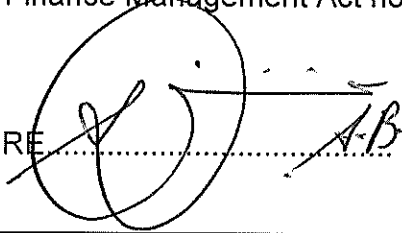
Net Impact on Capital Expenditure: R2.4 million

Summary

The adjustments lead to a balanced total expenditure of R8.2 million this reflects a deliberate effort to align budget allocations with actual financial commitments, operational priorities, and strategic objectives. The revisions focus on cost optimisation while accommodating necessary increases in critical areas, such as the reallocation for the conditional grant project of uMhlumayo.

I, Sibisi S.B the Acting Chief Executive Officer of UThukela Economic Development Agency, hereby certify that the adjustment budget has been prepared in terms of the Municipal Finance Management Act no 56 of 2003 and regulations made under this act.

SIGNATURE.....

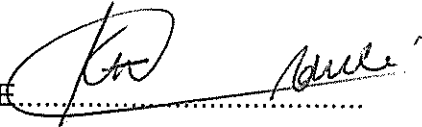
A.B.

DATE

30/05/2025

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 31 May 2025.

SIGNATURE.....

Nduli KH

DATE

2025-05-31