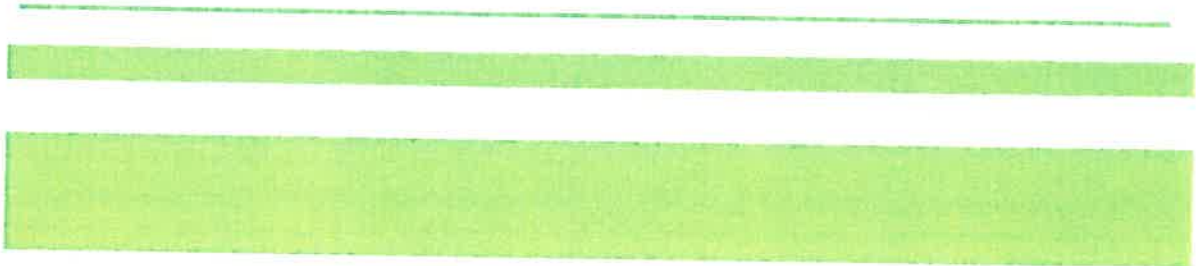


**MID-YEAR FINANCIAL  
REPORT ENDED 31  
DECEMBER 2020**



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## **PART 1 – MID-YEAR FINANCIAL REPORT**

### **1.1 CHAIRPERSON'S REPORT**

#### **Introduction**

The purpose of this report is to inform the Board of Directors of the Entity's Mid-Year performance as at 31 December 2020 against the approved budget in compliance with Section 88(1) & 168(1) of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009, by providing a statement on the implementation of the budget and financial state of affairs of the Entity to the Parent Municipality, as legislated.

#### **Background**

The entity's revenue sources have seen a steady decline over the years and most noticeably during the current financial year. This downward movement can mainly be attributable to the constraints on supply side viz, customers heeding to energy conservation and the economic downturn due to Covid19. The entity has also witnessed a gradual migration of high consumption customers towards alternative energy sources. Accordingly, revenue for the period under review the entity is projecting a slow to negative revenue growth from initially projected at the beginning of the financial year.

Expenditure, mainly bulk purchases for the period has increased as a result of high demand. Late start of capital refurbishment projects contributed to the under expenditure for the year to date which cushioned the expenditure to date. Load shedding had a negative impact on equipment requiring more repairs.

Section 88 (1) of the Municipal Finance Management Act indicate that

The Accounting Officer of a municipal entity must by 20 January of each year –

- (a) Assess the performance of the entity during the first half of the financial year, taking into account-
  - (i) The monthly statements referred to in section 87 for the first half of the financial year and the targets set in the service delivery, business plan or other agreement with the entity's parent municipality; and
  - (ii) The entity's annual report for the past year and progress on resolving problems identified in the annual report; and
- (b) Submit a report on such assessment to –
  - (i) The board of directors of the entity; and
  - (ii) The parent municipality of the entity
- (c) A report referred to in subsection (1) must be made public

## Overview

The summary below provides an overview of the budget and financial state of affairs of the Entity for the mid-year (six months).

Centlec (SOC) Ltd - Table F1 Monthly Budget Statement Summary - M06 December								
Description	2019/20	Current Year 2020/21						
	Audited Outcome	Original Budget	Monthly Actuals	YTD Actuals	YTD Budget	YTD Variance %	YTD Variance	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates								
Service charges	2 567 898	2 724 359	179 035	1 391 028	1 362 179	29	2%	2 724 359
Investment revenue	2 938	4 507	43	346	2 253	(1 907)	-85%	4 507
Transfers recognised - operational								
Other own revenue	37 525	36 739	2 671	16 983	18 369	(1 387)	-8%	36 739
<b>and contributions)</b>	<b>2 608 362</b>	<b>2 765 605</b>	<b>181 749</b>	<b>1 408 357</b>	<b>1 382 802</b>	<b>25 555</b>	<b>2%</b>	<b>2 765 605</b>
Employee costs	370 630	369 360	1 256	190 149	184 681	5 468	3%	369 360
Remuneration of Board Members	597	1 832	86	351	916	(565)	-62%	1 832
Depreciation and asset impairment	142 487	74 148	36 214	87 099	37 074	50 025	135%	74 148
Finance charges	17 443	57	5	28	28	(0)	0%	57
Materials and bulk purchases	1 707 755	1 671 407	121 680	1 039 716	835 704	204 012	24%	1 671 407
Transfers and grants		120 000		6 200	60 000	(53 800)	-90%	120 000
Other expenditure	465 165	208 265	12 248	77 808	104 133	(26 325)	-25%	208 265
<b>Total Expenditure</b>	<b>2 704 077</b>	<b>2 445 069</b>	<b>171 489</b>	<b>1 401 351</b>	<b>1 222 536</b>	<b>178 815</b>	<b>15%</b>	<b>2 445 069</b>
<b>Surplus/(Deficit)</b>	<b>(95 716)</b>	<b>320 536</b>	<b>10 260</b>	<b>7 006</b>	<b>160 266</b>	<b>(153 259)</b>	<b>-96%</b>	<b>320 536</b>
Transfers recognised - capital	22 609	57 500			28 750	(28 750)	-100%	57 500
Contributions & Contributed assets	16 133	11 933	491	2 682	5 966	(3 285)	-55%	11 933
<b>contributions</b>	<b>(56 974)</b>	<b>389 969</b>	<b>10 751</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95%</b>	<b>389 969</b>
Taxation								
<b>Surplus/ (Deficit) for the year</b>	<b>(56 974)</b>	<b>389 969</b>	<b>10 751</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95%</b>	<b>389 969</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	110 239	169 725	10 136	54 883	84 863	(29 980)	-35%	169 725
Transfers recognised - capital	33 542	74 433	7 108	17 898	37 216	(19 318)	-52%	74 433
Internally generated funds	76 696	95 292	3 028	36 984	47 646	(10 662)	-22%	95 292
<b>Total sources of capital funds</b>	<b>110 239</b>	<b>169 725</b>	<b>10 136</b>	<b>54 883</b>	<b>84 863</b>	<b>(29 980)</b>	<b>-35%</b>	<b>169 725</b>
<b>Financial position</b>								
Total current assets	3 676 233	1 001 771		3 894 390				1 001 771
Total non current assets	8 063 809	4 431 099		8 031 593				4 431 099
Total current liabilities	5 229 802	698 572		5 400 227				698 572
Total non current liabilities	1 504 032	654 341		1 504 060				654 341
Community wealth/Equity	<b>5 006 209</b>	<b>4 079 957</b>		<b>5 021 696</b>				<b>4 079 957</b>
<b>Cash flows</b>								
Net cash from (used) operating	191 519	216 025	47 216	74 776	108 012	(33 236)	-31%	2 768 552
Net cash from (used) investing	(95 948)	(164 284)	(10 136)	(54 883)	(82 142)	27 259	-33%	(164 284)
Net cash from (used) financing	(70 000)	(4 333)		(6 200)	(2 167)	(4 033)	186%	(100 627)
<b>Cash/cash equivalents at the year end</b>	<b>39 127</b>	<b>60 963</b>	<b>37 080</b>	<b>46 087</b>	<b>23 704</b>	<b>22 383</b>	<b>94%</b>	<b>2 517 198</b>

**Conclusion**

Based on the details as outline above and in terms of the Section 88(1) of the MFMA, it is recommended that Council approves the Mid-Year Financial Report as contained herein, together with the resolutions as contained here below.

 .....

Chairperson of the Board.

## **1.2 RESOLUTIONS**

In terms of Section 88(1) of the Act the information for the Mid-Year Financial Report be tabled as set out in the following Budget Statement Tables:

- (a) Table F1 – Monthly Budget Statement Summary**
- (b) Table F2 – Financial Performance (Revenue and Expenditure)**
- (c) Table F3 – Capital Expenditure Budget by Vote and Funding**
- (d) Table F4 – Financial Position**
- (e) Table F5 – Cash flows Statements**

### 1.3 EXECUTIVE SUMMARY

The Mid-Year Financial Report was compiled in accordance with Section 88(1) and in the prescribed format required by the Act. This Report is based upon financial information, as at 31 December 2020. All variances are calculated against the approved budget figures. The results for the six months ended 31 December 2020 are summarised as follows:

#### 1.3.1 Statement of Financial Performance (Table F2)

The Statement of Financial Performance in **Table F2** is prepared on a similar basis to the prescribed budget format, detailing revenue by source, excluding capital transfers and contributions, and expenditure by type. The summary report indicates the following:

The actuals performance for the mid-year (excluding capital transfers and contributions) on the operating budget can be summarised as follows:

Details	Yearly Budget	Mid Year Budget Allocation 2020	Mid-Year Actuals	Mid Year Variance (R)	Mid Year Variance %	Year Actuals	YTD Variance %
	R"000	R"000	R"000	R"000	R"000	R"000	R"000
Revenue by Source	2 835 037	1 417 519	1 411 039	6 480	0.5%	1 411 039	50%
Expenditure by Type	2 445 069	1 222 534	1 401 351	(178 816)	-14.6%	1 401 351	43%
Surplus / (Deficit)	389 969	194 984	9 688	185 296	95.0%	9 688	98%

**Notes:**

- A – Unfavourable variance of R 6,480 million against the mid-year budget allocation due to energy conservation by customers.
- B – Unfavourable variance of R 178,816 million against the mid-year budget allocation.



Table F2: with the detailed cumulative year to date performance for the financial year outlined below:

Centlec (SOC) Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December							
Description	2019/20	Current Year 2020/21					Notes
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD Variance %	
<b>R thousands</b>							
<b>Revenue By Source</b>							
Property rates							
Service charges - electricity revenue	2 567 898	2 724 359	1 391 028	1 362 179	28 849	2.1%	1
Interest earned - external investments	2 938	4 507	346	2 253	(1 907)	-84.6%	2
Interest earned - outstanding debtors	25 405	13 107	12 670	6 554	6 117	93.3%	3
Fines, penalties and forfeits	1 574	6 801	692	3 400	(2 708)	-79.6%	4
Other revenue	6 661	16 471	3 620	8 235	(4 616)	-56.0%	5
Gains on disposal of PPE	3 886	360	1	180	(179)	-99.6%	6
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 608 362</b>	<b>2 765 605</b>	<b>1 408 357</b>	<b>1 382 802</b>	<b>25 555</b>	<b>1.8%</b>	
<b>Expenditure By Type</b>							
Employee related costs	370 630	369 360	190 149	184 681	5 468	3.0%	7
Remuneration of Directors	597	1 832	351	916	(565)	-61.7%	8
Debt impairment (Non-Cash)	87 129	9 298	4 649	4 649	0	0.0%	
Depreciation & asset impairment (Non-Cash)	142 487	74 148	87 099	37 074	50 025	134.9%	9
Finance charges (Non-Cash)	17 443	57	28	28	-5	0.0%	
Bulk purchases	1 675 544	1 641 072	1 028 359	820 536	207 823	25.3%	10
Other materials (Inventory)	32 211	30 335	11 356	15 168	(3 811)	-25.1%	11
Contracted services	105 601	126 999	48 849	63 500	(14 650)	-23.1%	12
Transfers and subsidies (Dividends)		120 000	6 200	60 000	(53 800)	-89.7%	13
Other expenditure	260 689	71 969	24 228	35 985	(11 759)	-32.7%	14
Loss on disposal of PPE	11 746		84		84	0.0%	
<b>Total Expenditure</b>	<b>2 704 077</b>	<b>2 445 069</b>	<b>1 401 351</b>	<b>1 222 536</b>	<b>178 815</b>	<b>14.6%</b>	
<b>Surplus/(Deficit)</b>	<b>(95 716)</b>	<b>320 536</b>	<b>7 006</b>	<b>160 266</b>	<b>(153 259)</b>	<b>-95.6%</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	22 609	57 500		28 750	(28 750)	-100.0%	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public	16 133	11 933	2 682	5 966	(3 285)	-55.1%	
Transfers and subsidies - capital (in-kind - all)							
<b>Surplus/(Deficit) before taxation</b>	<b>(56 974)</b>	<b>389 969</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95.0%</b>	
Taxation							
<b>Surplus/(Deficit) for the year</b>	<b>(56 974)</b>	<b>389 969</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95.0%</b>	

**The major revenue YTD variances against the budget are:**

**1. Service charges- electricity revenue**

Favourable variance of R 28,849 million equivalent to (2.1%) of the year to date budget. The variance is due to increased electricity consumption by customers.

**2. Interest on Bank Accounts & Investments**

Unfavourable variance of R 1,907 million equivalent to (84.6%) of the year to date budget. The amount received for interest on bank and investment was less than the anticipated budget.

**3. Interest on Outstanding Debtors**

Favourable variance of R 6,117 million equivalent to (93.3%) of the year to date budget. The variance is due to an increasing debt book. Debt collectors were appointed to ensure that this pattern decreases.

**4. Fines**

Unfavourable variance of R 2,708 million equivalent to (79.6%) of the year to date budget. This line item is dependent on fines imposed. Less fines were issued than anticipated. More stringent credit control measures will be put in place to ensure that levied fines are followed up and paid.

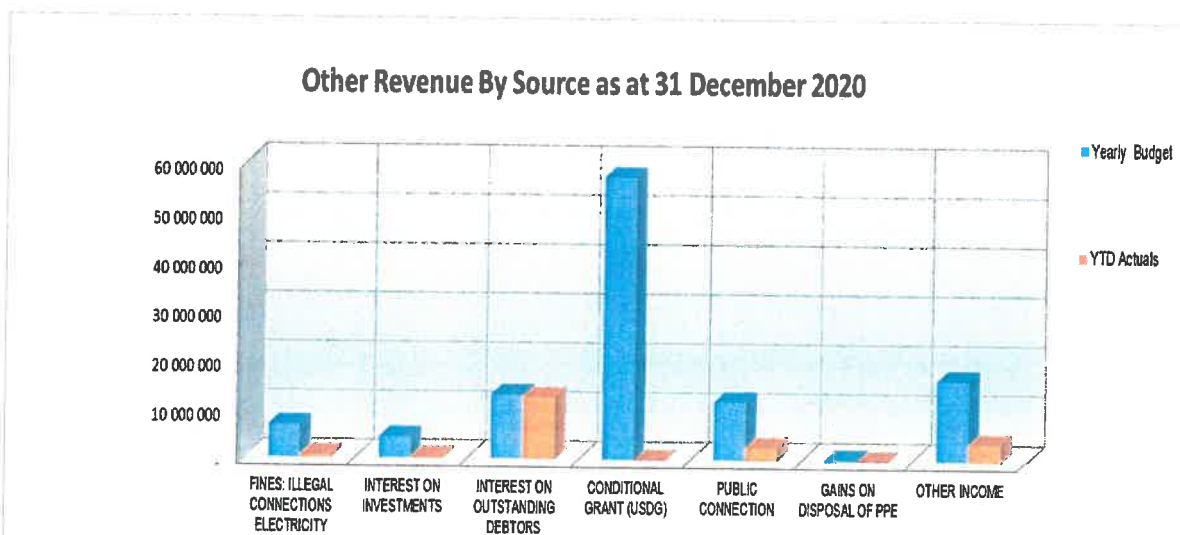
FINES	Yearly Budget	Mid Year Budget Allocation 2020	Mid-Year Actuals	Mid Year Variance (R)	Mid Year Variance %	YTD Actuals	YTD Variance	YTD Variance %
FINES: ILLEGAL CONNECTIONS ELECTRICITY	6 800 752	3 400 376	692 166	2 708 210	80%	692 166	6 108 586	10%
<b>TOTAL FINES</b>	<b>6 800 752</b>	<b>3 400 376</b>	<b>692 166</b>	<b>2 708 210</b>	<b>80%</b>	<b>692 166</b>	<b>6 108 586</b>	<b>10%</b>

## 5. Other Revenue

5.1 The following table indicates **INCOME AND GRANTS** received for the mid-year ended 31 December 2020.

Description	Yearly Budget	Mid Year Budget Allocation	Mid Year Actuals	Mid Year Variance (R)	Mid Year Variance %	YTD Actuals	YTD Variance %
FINES: ILLEGAL CONNECTIONS ELECTRICITY	6 800 752	3 400 376	692 166	2 708 210	80%	692 166	90%
INTEREST ON INVESTMENTS	4 506 880	2 253 440	346 125	1 907 315	85%	346 125	92%
INTEREST ON OUTSTANDING DEBTORS	13 107 398	6 553 699	12 670 330	-6 116 631	-93%	12 670 330	3%
CONDITIONAL GRANT (USDG)	57 499 976	28 749 988		28 749 988	100%		100%
PUBLIC CONNECTION	11 932 851	5 966 426	2 681 710	3 284 715	55%	2 681 710	78%
GAINS ON DISPOSAL OF PPE	360 201	180 101	747	179 353	100%	747	100%
OTHER INCOME	16 470 690	8 235 345	3 619 729	4 615 616	56%	3 619 729	78%
<b>TOTAL OTHER REVENUE</b>	<b>110 678 748</b>	<b>55 339 374</b>	<b>20 010 809</b>	<b>35 328 565</b>	<b>64%</b>	<b>20 010 809</b>	<b>82%</b>

5.2 The following table indicates **OTHER INCOME** received for the mid-year ended 31 December 2020.



## 6. Gains on disposal of PPE

This will be realised when the auction takes place towards the end of the current financial year.

**The major Expenditure YTD variances against the budget are:**

**7. Employee related Cost**

Unfavourable variance (Savings) of R 5,468 million equivalent to (3%) of the year to date budget. The variance is due to overtime.

**8. Remuneration of Directors**

Favourable variance (Savings) of R 565,000 equivalent to (61.7%) of the year to date budget. The variance is due to vacancies in the Board.

**9. Depreciation & asset impairment**

Unfavourable variance of R 50,025 million equivalent to (134.9%) of the year to date budget. The variance is due to the actual depreciation amount recorded. This indicates an under budgeted Year to date figure of R 50,025 million.

**10. Bulk Purchases**

Unfavourable variance of R 207,823 million equivalent to (25.3%) of the year to date budget. The variance is due to increased electricity consumption by customers.

**11. Other material (Inventory)**

Favourable variance (Savings) of R 3,811 million equivalent to (25.1%) of the year to date budget. This is based on the financial performance.

**12. Contracted Services**

Favourable variance (Savings) of R 12,650 million equivalent to (23.1%) of the year to date budget.

**13. Transfers & subsidies (Contribution to MMM)**

Favourable variance (Savings) of R 53,800 million equivalent to (89.7%) of the year to date budget.

## 14. Other Expenditure

Favourable variance (Savings) of R 11,759 million equivalent to (32.7%) of the year to date budget.

Detail	Yearly Budget	Mid Year Budget Allocation	Mid Year Budget Actuals	Mid Year Variance (R)	Mid Year Variance %	YTD Actuals	YTD Variance	YTD Variance %
OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	68 163	34 082		34 082	100%		68 163	100%
OC:ADV/PUB/MARK - CORP & MUN ACT ( GEN A	698 949	349 475	213 843	135 631	21%	213 843	485 106	111%
OC: ASSETS LESS THAN CAPITAL THRESHOLD	29 141 223	14 570 612	7 056 760	7 513 852	52%	7 056 760	22 084 463	76%
OC: ASSETS LESS CAP THRESHOLD	28 399	14 200		14 200	100%		28 399	100%
OC: ASSETS LESS THAN CAP THRESHOLD (TOOLS)	94 549	47 275	8 963	38 311	81%	8 963	85 586	91%
OC: BC/FAC/C FEES - BANK ACCOUNTS	978 469	489 235	292 317	196 918	40%	292 317	686 152	70%
OC: BURSARIES (EMPLOYEES)	122 414	61 207	96 867	-35 660	-58%	96 867	25 547	21%
OC: COMMISSION - THIRD PARTY VENDORS	5 684 412	2 842 206	1 466 017	1 376 189	48%	1 466 017	4 218 395	74%
OC: COMM - POSTAGE/STAMPS/FRANKING MACHINES	10 000	5 000		5 000	100%		10 000	100%
OC: COMM - PHONE FAX TELEGRAPH & TELEX	5 750 781	2 875 391	2 929 899	-54 508	-2%	2 929 899	2 820 882	49%
OC: EXT COM SERV PROV - INTERNET CHARGES	95 502	47 751		47 751	100%		95 502	100%
OC: EXT COM SERV PROV - S/AWARE LICENCES	5 915 230	2 957 615	847 141	2 110 474	71%	847 141	5 068 089	86%
OC: INSUR UNDER - PREMIUMS	10 278 156	5 139 078	3 487 275	1 651 803	32%	3 487 275	6 790 881	66%
OC: LIC - VEHICLE LIC & REGISTRATIONS	574 616	287 308	503 540	-216 232	-75%	503 540	71 076	12%
OC: MUNICIPAL SERVICES	844 670	422 335	716 796	-294 461	-70%	716 796	127 874	15%
OC: PROFESSIONAL BODIES M/SHIP & SUBSCRIPTION	83 847	41 924	39 259	2 664	6%	39 259	44 588	53%
OC: REG FEES NATIONAL	191 542	95 771		95 771	100%		191 542	100%
OC: SKILLS DEVELOPMENT FUND LEVY	1 759 541	879 771	507 521	372 260	42%	507 521	1 252 020	71%
OC: T&S DOM - ACCOMMODATION	133 760	66 880	46 540	20 340	30%	46 540	87 220	65%
OC: T&S DOM - DAILY ALLOWANCE	2 147	1 074		1 074	100%		2 147	100%
OC: T&S DOM TRP - WITHOUT OPR CAR RENTAL	101 969	50 985	86 887	-35 903	-70%	86 887	15 082	15%
OC: T&S DOM PUB TRP - AIR TRANSPORT	234 835	117 418	154 061	-36 643	-31%	154 061	80 774	34%
OC: UNIFORM & PROTECTIVE CLOTHING	810 945	405 473	218 046	187 427	46%	218 046	592 899	73%
OC: VEHICLE TRACKING	371 775	185 888	309 929	-124 041	-67%	309 929	61 846	17%
OC: WORKMEN'S COMPENSATION FUND	5 886 287	2 943 144	4 415 049	-1 471 906	-50%	4 415 049	1 471 238	25%
OPR LEASES: FURNITURE & OFFICE EQUIPMENT	382 473	191 237	348 856	-157 620	-82%	348 856	33 617	9%
OPR LEASES: MACHINERY & EQUIPMENT	1 724 303	862 152	480 324	381 827	44%	480 324	1 243 979	72%
<b>TOTAL OPERATING EXPENDITURE</b>	<b>71 968 957</b>	<b>35 984 479</b>	<b>24 225 892</b>	<b>11 758 587</b>	<b>33%</b>	<b>24 225 892</b>	<b>47 743 065</b>	<b>66%</b>



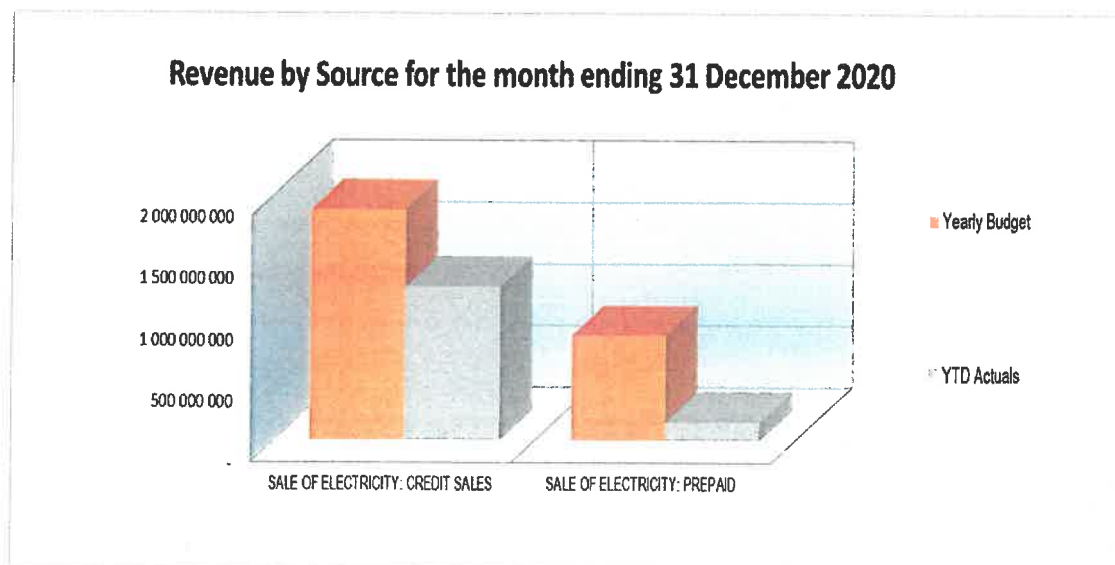
### 1.3.1 REVENUE AND EXPENDITURE

#### 1.3.1.1 Revenue by Source for the mid-year ended 31 December 2020

An amount of R 1,391 billion was billed for the year to date compared to the annual budget of R 2,724 billion

Details	Yearly Budget	Mid Year Budget Allocation	Mid Year Actuals (Billed)	Mid Year Variance (R)	Mid Year % Variance	YTD Actuals	YTD Variance %
SALE OF ELECTRICITY: CREDIT SALES	1 872 146 317	936 073 159	1 244 788 106	-308 714 947	-33.0%	1 244 788 106	34%
SALE OF ELECTRICITY: PREPAID	852 212 399	426 106 200	146 240 249	279 865 950	65.7%	146 240 249	83%
<b>TOTAL INCOME</b>	<b>2 724 358 716</b>	<b>1 362 179 358</b>	<b>1 391 028 355</b>	<b>-28 848 997</b>	<b>-2.1%</b>	<b>1 391 028 355</b>	<b>49%</b>

The following chart compares the year to date actual revenue against the yearly budget:

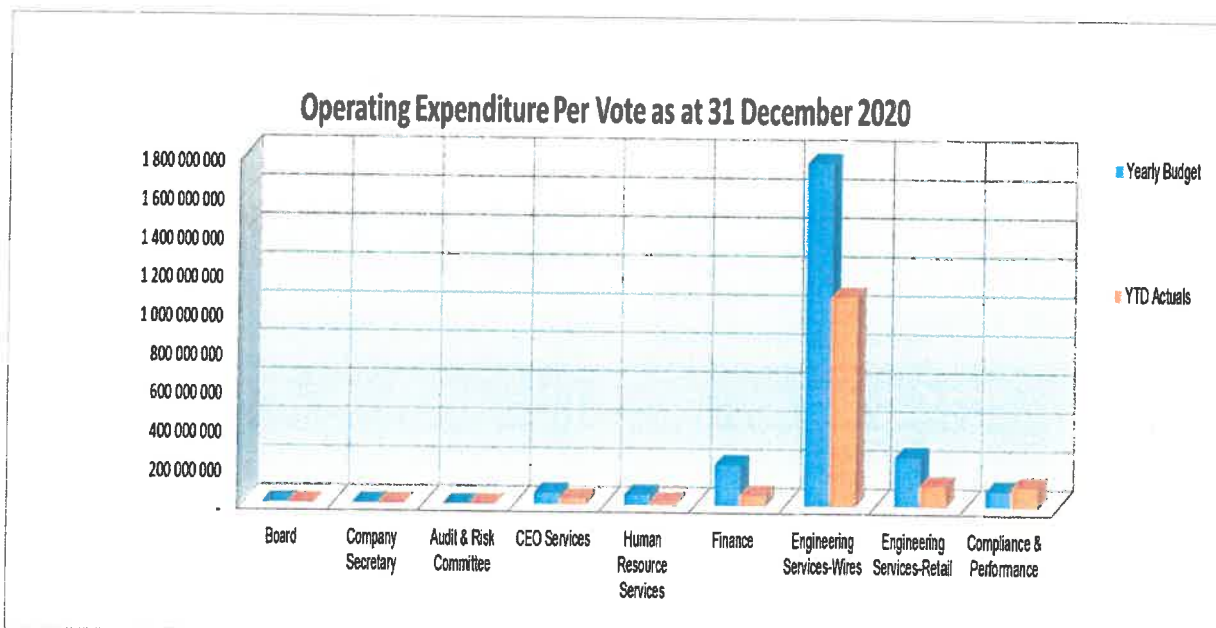


### 1.3.1.2 Expenditure per VOTE for the mid-year ended 31 December 2020

Refer to the expenditure per Vote table below:

Detail	Yearly Budget	Mid Year Budget Allocation	Mid Year Budget Actuals	Mid Year Variance (R)	Mid Year Variance %	YTD Actuals	YTD Variance	YTD Variance %
BOARD	2 102 538	1 051 269	437 876	613 393	58%	437 876	1 664 662	79%
COMPANY SECRETARY	3 512 210	1 756 105	1 162 789	593 316	34%	1 162 789	2 349 421	67%
AUDIT & RISK COMMITTEE	291 234	145 617	272 281	-126 664	-87%	272 281	18 953	7%
CEO SERVICES	60 232 880	30 116 440	31 792 459	-1 676 019	-6%	31 792 459	28 440 421	47%
HUMAN RESOURCE SERVICES	53 704 691	26 852 346	15 633 034	11 219 311	42%	15 633 034	38 071 657	71%
FINANCE	210 826 563	105 413 282	53 451 924	51 961 357	49%	53 451 924	157 374 639	75%
ENGINEERING SERVICES-RETAIL	1 774 900 852	887 450 426	1 085 160 501	-197 710 075	-22%	1 085 160 501	689 740 351	39%
ENGINEERING SERVICES-WIRES	256 704 776	128 352 388	109 735 838	18 616 550	15%	109 735 838	146 968 938	57%
COMPLIANCE & PERFORMANCE	82 793 214	41 396 607	103 704 253	-62 307 646	-151%	103 704 253	-20 911 039	-25%
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2 445 068 958</b>	<b>1 222 534 479</b>	<b>1 401 350 955</b>	<b>-178 816 476</b>	<b>-15%</b>	<b>1 401 350 955</b>	<b>1 043 718 003</b>	<b>43%</b>

The following chart compares the mid-year actual expenditure per vote against the mid-year budget:

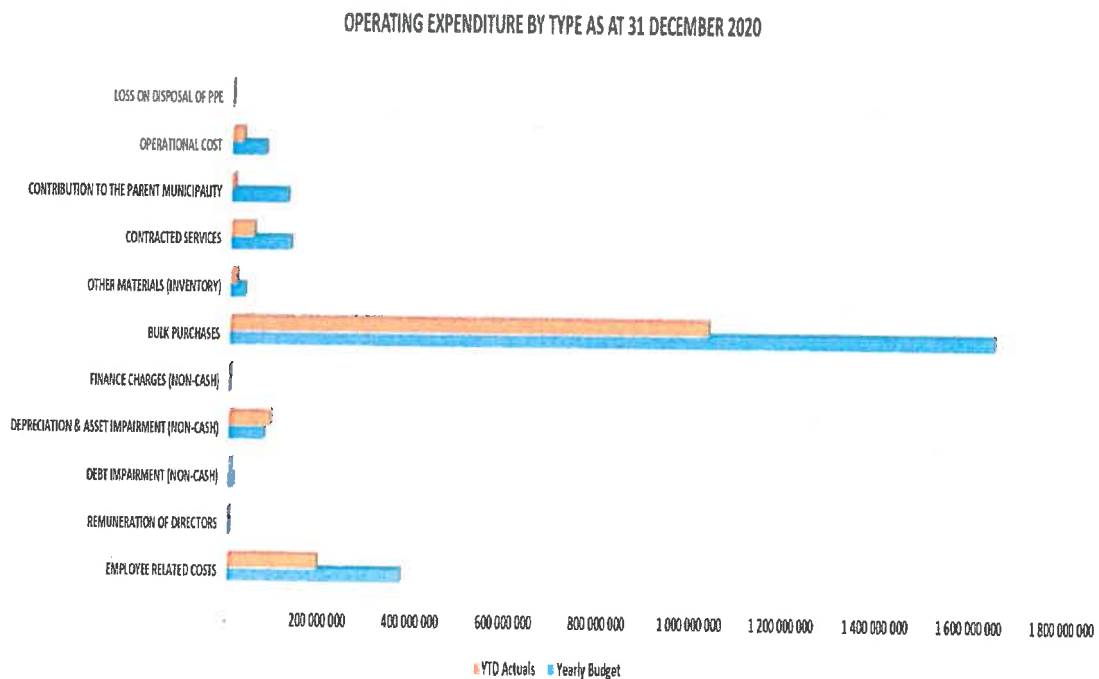


### 1.3.1.3 Expenditure per TYPE for the Mid-Year ended 31 December 2020

Refer to the expenditure per Type table below

Detail	Yearly Budget	Mid Year Budget Allocation	Mid Year Actuals	Mid Year Variance (R)	Mid Year Variance %	YTD Actuals	YTD Variance	YTD Variance %
EMPLOYEE RELATED COSTS	369 359 817	184 679 909	190 148 994	-5 469 086	-3%	190 148 994	179 210 823	49%
REMUNERATION OF DIRECTORS	1 831 818	915 909	350 998	564 911	62%	350 998	1 480 820	81%
DEBT IMPAIRMENT (NON-CASH)	9 297 599	4 648 800	4 648 800	-0	0%	4 648 800	4 648 799	50%
DEPRECIATION & ASSET IMPAIRMENT (NON-CASH)	74 148 250	37 074 125	87 099 090	-50 024 965	-135%	87 099 090	-12 950 840	-17%
FINANCE CHARGES (NON-CASH)	56 654	28 327	28 327	-0	0%	28 327	28 327	50%
BULK PURCHASES	1 641 072 238	820 536 119	1 028 359 396	-207 823 277	-25%	1 028 359 396	612 712 842	37%
OTHER MATERIALS (INVENTORY)	30 334 813	15 167 407	11 356 325	3 811 082	25%	11 356 325	18 978 488	63%
CONTRACTED SERVICES	126 998 812	63 499 406	48 849 343	14 650 063	23%	48 849 343	78 149 469	62%
CONTRIBUTION TO THE PARENT MUNICIPALITY	120 000 000	60 000 000	6 200 000	53 800 000	90%	6 200 000	113 800 000	95%
OPERATIONAL COST	71 968 957	35 984 479	24 225 892	11 758 587	33%	24 225 892	47 743 065	66%
LOSS ON DISPOSAL OF PPE			83 790	-83 790	0%	83 790	-83 790	0%
<b>TOTAL OPERATING EXPENDITURE</b>	<b>2 445 068 958</b>	<b>1 222 534 479</b>	<b>1 401 350 955</b>	<b>-178 816 476</b>	<b>-15%</b>	<b>1 401 350 955</b>	<b>1 043 718 003</b>	<b>43%</b>

The following chart compares the actual expenditure by type against the yearly budget:





### 1.3.2 CASH FLOW FOR THE MID-YEAR ENDED 31 DECEMBER 2020 (Table F5)

Centlec - Table F5 Monthly Budget Statement - Cash Flows - M06 December							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates							
Service charges	2 945 112	2 668 052	1 863 466	1 334 026	529 440	39.7%	2 668 052
Other revenue		13 982	10 395	6 991	3 404	48.7%	13 982
Government - operating							
Government - capital	3 183	69 433		34 716	(34 716)	-100.0%	69 433
Interest (Bank & Investments)		17 086	322	8 543	(8 221)	-96.2%	17 086
Dividends							
<b>Payments</b>							
Suppliers and employees	(2 755 702)	(2 432 471)	(1 798 197)	(1 216 236)	(581 962)	47.8%	
Finance charges	(1 073)	(57)	(1 209)	(28)	(1 181)	4173.4%	
Dividends paid		(120 000)		(60 000)	60 000	-100.0%	
Transfers and Grants					-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>191 519</b>	<b>216 025</b>	<b>74 776</b>	<b>108 012</b>	<b>(33 236)</b>	<b>-30.8%</b>	<b>2 768 552</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE		349		175	(175)	-100.0%	349
Decrease (increase) in non-current debtors							
Decrease (increase) other non-current receivables							
Decrease (increase) in non-current investments							
<b>Payments</b>							
Capital assets	(95 948)	(164 633)	(54 883)	(82 317)	27 434	-33.3%	(164 633)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(95 948)</b>	<b>(164 284)</b>	<b>(54 883)</b>	<b>(82 142)</b>	<b>27 259</b>	<b>-33.2%</b>	<b>(164 284)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans							
Borrowing long term/refinancing							
Increase (decrease) in consumer deposits		(4 333)		(2 167)	2 167	-100.0%	(100 627)
<b>Payments</b>							
Repayment of borrowing (MMM)	(70 000)		(6 200)		(6 200)	0.0%	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(70 000)</b>	<b>(4 333)</b>	<b>(6 200)</b>	<b>(2 167)</b>	<b>8 367</b>	<b>-386.2%</b>	<b>(100 627)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>25 571</b>	<b>47 407</b>	<b>13 694</b>	<b>23 704</b>	<b>(10 010)</b>	<b>-42.2%</b>	<b>2 503 642</b>
Cash/cash equivalents at the year begin:	13 556	13 556	32 393				13 556
Cash/cash equivalents at the year end:	39 127	60 963	46 087	23 704	22 383	94.4%	2 517 198

## **Commentary explanations on Cash Activities:**

### **Cash flow from operating category (Bank Statement)**

#### **1.3.2.1 Ratepayers (Electricity Revenue)**

Electricity revenue and other revenue reflect an actual of R 1,863 billion compared to the year to date budget of R 1,334 billion which results in a favourable variance of R 529,440 million which is equivalent to (39.7%). An amount of 529,440 million for the period more than anticipated.

#### **1.3.2.2 Capital Grants**

This is anticipated Quarterly after submission of the progress report to the Parent Municipality.

### **Cash flow regarding payments**

#### **1.3.2.3 Suppliers and Employee Related Costs**

Suppliers and Employee Related payments reflect an actual of R 1,798 billion compared to the year to date budget allocation of R 1,216 billion, which result to an unfavourable variance of R 581,962 million which is equivalent to (47.8%).

#### **1.3.2.3 Capital Payments**

Capital payments reflect a year to date actual of R 54,883 million compared to the yearly budget of R 82,317 million. This results to a variance of R 27,434 million which is equivalent to (33.3%).

### **1.3.3 FINANCIAL IMPLICATIONS**

The Mid-Year report for the period ending 31 December 2020 indicates various financial risks which require monitoring:

- Irrecoverable debtors >120 days equals to 79% of the debt book.

#### **1.3.3.1 Achievement of the operating expenditure and revenue budget:**

The Mid-Year Assessment Report for the period ending 31 December 2020 indicates a surplus of R 9,688 million (on accrual basis as per the financial system including non-cash transactions). The Report indicates various financial risks which requires monitoring of:

- Collection from debtors
- Strict management of cash flow
- Maximize collection rate on monthly bills

#### **1.3.3.2 Achievement of the capital expenditure budget:**

The actual year to date capital expenditure until 31 December 2020 represents only 32.3% (R 54,883) million when compared to the year to date budget allocation of R 169,725 million.

#### **1.3.4 CONCLUSION**

This report is in compliance of Section 88(1) of the MFMA, by providing a statement to the Board containing certain financial details.  
Based on the indicated performance above,

- ✓ The entity must tighten controls on Expenditure to remain within the budgeted thresholds
- ✓ Alternative revenue sources to be explored
- ✓ Revenue collection efforts to be accelerated

#### **1.3.5 RECOMMENDATIONS**

That, in compliance with Section 88(1) of the MFMA

- Council should note and evaluate the reported assessed Mid-Year financial performance report against the budget for the 2020/21 financial year;
- Based on the assessment of the performance as indicated above and the need to accommodate the matters as indicated in the paragraph 1.3.4 (Conclusion) above, it is recommended that an adjustment budget for the financial year 2020/21 be made and tabled before Council for consideration, after approval of the Mid-Year Report.

## 1.4 MID-YEAR BUDGET STATEMENT TABLES

### F1: Monthly Budget Summary

Centlec (SOC) Ltd - Table F1 Monthly Budget Statement Summary - M06 December							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YTD Actuals	YTD Budget	YTD Variance %	YTD Variance	Full Year Forecast
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates							
Service charges	2 567 898	2 724 359	1 391 028	1 362 179	29	2%	2 724 359
Investment revenue	2 938	4 507	346	2 253	(1 907)	-85%	4 507
Transfers recognised - operational							
Other own revenue	37 525	36 739	16 983	18 369	(1 387)	-8%	36 739
<b>and contributions)</b>	<b>2 608 362</b>	<b>2 765 605</b>	<b>1 408 357</b>	<b>1 382 802</b>	<b>25 555</b>	<b>2%</b>	<b>2 765 605</b>
Employee costs	370 630	369 360	190 149	184 681	5 468	3%	369 360
Remuneration of Board Members	597	1 832	351	916	(565)	-62%	1 832
Depreciation and asset impairment	142 487	74 148	87 099	37 074	50 025	135%	74 148
Finance charges	17 443	57	28	28	(0)	0%	57
Materials and bulk purchases	1 707 755	1 671 407	1 039 716	835 704	204 012	24%	1 671 407
Transfers and grants		120 000	6 200	60 000	(53 800)	-90%	120 000
Other expenditure	465 165	208 265	77 808	104 133	(26 325)	-25%	208 265
<b>Total Expenditure</b>	<b>2 704 077</b>	<b>2 445 069</b>	<b>1 401 351</b>	<b>1 222 536</b>	<b>178 815</b>	<b>15%</b>	<b>2 445 069</b>
<b>Surplus/(Deficit)</b>	<b>(95 716)</b>	<b>320 536</b>	<b>7 006</b>	<b>160 266</b>	<b>(153 259)</b>	<b>-96%</b>	<b>320 536</b>
Transfers recognised - capital	22 609	57 500		28 750	(28 750)	-100%	57 500
Contributions & Contributed assets	16 133	11 933	2 682	5 966	(3 285)	-55%	11 933
<b>contributions</b>	<b>(56 974)</b>	<b>389 969</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95%</b>	<b>389 969</b>
Taxation							
<b>Surplus/ (Deficit) for the year</b>	<b>(56 974)</b>	<b>389 969</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95%</b>	<b>389 969</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	110 239	169 725	54 883	84 863	(29 980)	-35%	169 725
Transfers recognised - capital	33 542	74 433	17 898	37 216	(19 318)	-52%	74 433
Internally generated funds	76 696	95 292	36 984	47 646	(10 662)	-22%	95 292
<b>Total sources of capital funds</b>	<b>110 239</b>	<b>169 725</b>	<b>54 883</b>	<b>84 863</b>	<b>(29 980)</b>	<b>-35%</b>	<b>169 725</b>
<b>Financial position</b>							
Total current assets	3 676 233	1 001 771	3 894 390				1 001 771
Total non current assets	8 063 809	4 431 099	8 031 593				4 431 099
Total current liabilities	5 229 802	698 572	5 400 227				698 572
Total non current liabilities	1 504 032	654 341	1 504 060				654 341
Community wealth/Equity	<b>5 006 209</b>	<b>4 079 957</b>	<b>5 021 696</b>				<b>4 079 957</b>
<b>Cash flows</b>							
Net cash from (used) operating	191 519	216 025	74 776	108 012	(33 236)	-31%	2 768 552
Net cash from (used) investing	(95 948)	(164 284)	(54 883)	(82 142)	27 259	-33%	(164 284)
Net cash from (used) financing	(70 000)	(4 333)	(6 200)	(2 167)	(4 033)	186%	(100 627)
<b>Cash/cash equivalents at the year end</b>	<b>39 127</b>	<b>60 963</b>	<b>46 087</b>	<b>23 704</b>	<b>22 383</b>	<b>94%</b>	<b>2 517 198</b>

## F2: Financial Performance (Revenue & Expenditure)

Centlec (SOC) Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Revenue By Source</b>							
Property rates							
Service charges - electricity revenue	2 567 898	2 724 359	1 391 028	1 362 179	28 849	2.1%	2 724 359
Interest earned - external investments	2 938	4 507	346	2 253	(1 907)	-84.6%	4 507
Interest earned - outstanding debtors	25 405	13 107	12 670	6 554	6 117	93.3%	13 107
Fines, penalties and forfeits	1 574	6 801	692	3 400	(2 708)	-79.6%	6 801
Other revenue	6 661	16 471	3 620	8 235	(4 616)	-56.0%	16 471
Gains on disposal of PPE	3 886	360	1	180	(179)	-99.6%	360
<b>contributions)</b>	<b>2 608 362</b>	<b>2 765 605</b>	<b>1 408 357</b>	<b>1 382 802</b>	<b>25 555</b>	<b>1.8%</b>	<b>2 765 605</b>
<b>Expenditure By Type</b>							
Employee related costs	370 630	369 360	190 149	184 681	5 468	3.0%	369 360
Remuneration of Directors	597	1 832	351	916	(565)	-61.7%	1 832
Debt impairment (Non-Cash)	87 129	9 298	4 649	4 649	0	0.0%	9 298
Depreciation & asset impairment (Non-Cash)	142 487	74 148	87 099	37 074	50 025	134.9%	74 148
Finance charges (Non-Cash)	17 443	57	28	28	-5	0.0%	57
Bulk purchases	1 675 544	1 641 072	1 028 359	820 536	207 823	25.3%	1 641 072
Other materials (Inventory)	32 211	30 335	11 356	15 168	(3 811)	-25.1%	30 335
Contracted services	105 601	126 999	48 849	63 500	(14 650)	-23.1%	126 999
Transfers and subsidies (Dividends)		120 000	6 200	60 000	(53 800)	-89.7%	120 000
Other expenditure	260 689	71 969	24 226	35 985	(11 759)	-32.7%	71 969
Loss on disposal of PPE	11 746		84		84	0.0%	
<b>Total Expenditure</b>	<b>2 704 077</b>	<b>2 445 069</b>	<b>1 401 351</b>	<b>1 222 536</b>	<b>178 815</b>	<b>14.6%</b>	<b>2 445 069</b>
<b>Surplus/(Deficit)</b>	<b>(95 716)</b>	<b>320 536</b>	<b>7 006</b>	<b>160 266</b>	<b>(153 259)</b>	<b>-95.6%</b>	<b>320 536</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	22 609	57 500		28 750	(28 750)	-100.0%	57 500
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	16 133	11 933	2 682	5 966	(3 285)	-55.1%	11 933
Transfers and subsidies - capital (in-kind - all)							
<b>Surplus/(Deficit) before taxation</b>	<b>(56 974)</b>	<b>389 969</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95.0%</b>	<b>389 969</b>
Taxation							
<b>Surplus/(Deficit) for the year</b>	<b>(56 974)</b>	<b>389 969</b>	<b>9 688</b>	<b>194 982</b>	<b>(185 294)</b>	<b>-95.0%</b>	<b>389 969</b>



### F3: Capital Expenditure

Centlec (SOC) Ltd - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Capital expenditure by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	<b>86 250</b>	<b>140 758</b>	<b>34 673</b>	<b>65 146</b>	<b>30 472</b>	<b>46.8%</b>	<b>125 058</b>
Electrical Infrastructure	86 250	140 758	34 673	65 146	30 472	46.8%	125 058
Power Plants		1 000		500	500	100.0%	1 000
HV Substations		8 526	207	4 263	4 056	95.1%	8 526
MV Substations							
MV Networks	24 396	28 349	7 261	12 308	5 047	41.0%	22 749
LV Networks	61 854	101 883	27 205	47 842	20 636	43.1%	92 583
Capital Spares							
Unimproved Property							
<b>Other assets</b>							
Operational Buildings							
Municipal Offices							
Training Centres							
<b>Computer Equipment</b>	<b>14 794</b>	<b>10 175</b>	<b>937</b>	<b>5 087</b>	<b>4 150</b>	<b>81.6%</b>	<b>10 175</b>
Computer Equipment	14 794	10 175	937	5 087	4 150	81.6%	10 175
<b>Furniture and Office Equipment</b>	<b>4 998</b>	<b>219</b>		<b>110</b>	<b>110</b>	<b>100.0%</b>	<b>219</b>
Furniture and Office Equipment	4 998	219		110	110	100.0%	219
<b>Total Capital Expenditure</b>	<b>110 239</b>	<b>169 725</b>	<b>54 883</b>	<b>84 863</b>	<b>29 980</b>	<b>35.3%</b>	<b>169 725</b>
<b>Funded by:</b>							
National Government	23 964	62 500	10 378	31 250	20 871	66.8%	62 500
Provincial Government							
Parent Municipality	9 578	11 933	7 520	5 966	(1 554)	-26.0%	11 933
District Municipality							
<b>Transfers recognised - capital</b>	<b>33 542</b>	<b>74 433</b>	<b>17 898</b>	<b>37 216</b>	<b>19 318</b>	<b>51.9%</b>	<b>74 433</b>
<b>Public contributions &amp; donations</b>							
<b>Borrowing</b>							
<b>Internally generated funds</b>	<b>76 696</b>	<b>95 292</b>	<b>36 984</b>	<b>47 646</b>	<b>10 662</b>	<b>22.4%</b>	<b>95 292</b>
<b>Total Capital Funding</b>	<b>110 239</b>	<b>169 725</b>	<b>54 883</b>	<b>84 863</b>	<b>29 980</b>	<b>35.3%</b>	<b>169 725</b>

#### F4: Financial Position

<b>Centlec - Table F4 Monthly Budget Statement - Financial Position - M06 December</b>				
Vote Description	2019/20	Current Year 2020/21		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	32 388	61 140	(20 617)	61 140
Call investment deposits	5	66 211	(126)	66 211
Consumer debtors	866 024	780 621	963 878	780 621
Other debtors	2 670 040		2 841 938	
Current portion of long-term receivables				
Inventory	107 776	93 799	109 317	93 799
<b>Total current assets</b>	<b>3 676 233</b>	<b>1 001 771</b>	<b>3 894 390</b>	<b>1 001 771</b>
<b>Non current assets</b>				
Long-term receivables				
Investments				
Investment property				
Investment in Associate	1 124		1 124	
Property, plant and equipment	6 684 549	4 090 781	6 656 411	4 090 781
Biological				
Intangible	81 638	86 237	77 559	86 237
Other non-current assets	1 296 498	254 080	1 296 498	254 080
<b>Total non current assets</b>	<b>8 063 809</b>	<b>4 431 099</b>	<b>8 031 593</b>	<b>4 431 099</b>
<b>TOTAL ASSETS</b>	<b>11 740 042</b>	<b>5 432 870</b>	<b>11 925 983</b>	<b>5 432 870</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft				
Borrowing		24 257		24 257
Consumer deposits	127 725	100 627	131 909	100 627
Trade and other payables	5 066 052	538 824	5 232 293	538 824
Provisions	36 024	34 864	36 024	34 864
<b>Total current liabilities</b>	<b>5 229 802</b>	<b>698 572</b>	<b>5 400 227</b>	<b>698 572</b>
<b>Non current liabilities</b>				
Borrowing			28	
Provisions	1 504 032	654 341	1 504 032	654 341
<b>Total non current liabilities</b>	<b>1 504 032</b>	<b>654 341</b>	<b>1 504 060</b>	<b>654 341</b>
<b>TOTAL LIABILITIES</b>	<b>6 733 833</b>	<b>1 352 913</b>	<b>6 904 287</b>	<b>1 352 913</b>
<b>NET ASSETS</b>	<b>5 006 209</b>	<b>4 079 957</b>	<b>5 021 696</b>	<b>4 079 957</b>
<b>COMMUNITY WEALTH/EQUITY</b>				
Accumulated Surplus/(Deficit)	668 520	1 424 153	684 007	1 424 153
Reserves	4 337 689	2 655 803	4 337 689	2 655 803
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>5 006 209</b>	<b>4 079 957</b>	<b>5 021 696</b>	<b>4 079 957</b>



## F5: Cash Flows

Centlec - Table F5 Monthly Budget Statement - Cash Flows - M06 December

Description	2019/20	Current Year 2020/21					Full Year Forecast
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>							
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates							
Service charges	2 945 112	2 668 052	1 863 466	1 334 026	529 440	39.7%	2 668 052
Other revenue		13 982	10 395	6 991	3 404	48.7%	13 982
Government - operating							
Government - capital	3 183	69 433		34 716	(34 716)	-100.0%	69 433
Interest (Bank & Investments)		17 086	322	8 543	(8 221)	-96.2%	17 086
Dividends							
<b>Payments</b>							
Suppliers and employees	(2 755 702)	(2 432 471)	(1 798 197)	(1 216 236)	(581 962)	47.8%	
Finance charges	(1 073)	(57)	(1 209)	(28)	(1 181)	4173.4%	
Dividends paid		(120 000)		(60 000)	60 000	-100.0%	
Transfers and Grants					-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>191 519</b>	<b>216 025</b>	<b>74 776</b>	<b>108 012</b>	<b>(33 236)</b>	<b>-30.8%</b>	<b>2 768 552</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Proceeds on disposal of PPE		349		175	(175)	-100.0%	349
Decrease (increase) in non-current debtors							
Decrease (increase) other non-current receivables							
Decrease (increase) in non-current investments							
<b>Payments</b>							
Capital assets	(95 948)	(164 633)	(54 883)	(82 317)	27 434	-33.3%	(164 633)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(95 948)</b>	<b>(164 284)</b>	<b>(54 883)</b>	<b>(82 142)</b>	<b>27 259</b>	<b>-33.2%</b>	<b>(164 284)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Short term loans							
Borrowing long term/refinancing							
Increase (decrease) in consumer deposits		(4 333)		(2 167)	2 167	-100.0%	(100 627)
<b>Payments</b>							
Repayment of borrowing (MMM)	(70 000)		(6 200)		(6 200)	0.0%	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(70 000)</b>	<b>(4 333)</b>	<b>(6 200)</b>	<b>(2 167)</b>	<b>8 367</b>	<b>-386.2%</b>	<b>(100 627)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>25 571</b>	<b>47 407</b>	<b>13 694</b>	<b>23 704</b>	<b>(10 010)</b>	<b>-42.2%</b>	<b>2 503 642</b>
Cash/cash equivalents at the year begin:	13 556	13 556	32 393				13 556
Cash/cash equivalents at the year end:	39 127	60 963	46 087	23 704	22 383	94.4%	2 517 198

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors' Analysis (Supporting Table SF3)

The debtors report been prepared on the basis of the prescribed format required to be submitted to the Parent Municipality. This format provides an extended aged analysis (per group and per type). **Table SF3**. The net debtors balance for the mid-year period ended 31 December 2020 is R 1,025 billion.

#### Centlec (Soc) Ltd- Debtors Age Analysis by Revenue Source as at 31 December 2020:

Centlec (SOC) Ltd - Supporting Table F3 Entity Aged debtors - M06 December												
Detail		Current Year 2020/21										
R thousands	NT Code	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Bad Debts	>90 days
Debtors Age Analysis By Trade and Other Receivables from Exchange Transactions - Electricity	1300	127 452	32 197	24 792	32 012	29 653	14 003	245 768	519 965	1 025 842	775	841 401
<b>Total By Income Source</b>	<b>2000</b>	<b>127 452</b>	<b>32 197</b>	<b>24 792</b>	<b>32 012</b>	<b>29 653</b>	<b>14 003</b>	<b>245 768</b>	<b>519 965</b>	<b>1 025 842</b>	<b>775</b>	<b>841 401</b>
Debtors Age Analysis By Customer Group	2100											
Organs of State	2200	23 376	9 653	14 956	15 264	760	149 546	2 241	28 088	243 883		
Commercial	2300	125 405	13 821	15 674	13 576	12 664	54 354	43 463	360 436	639 393		
Households	2400	10 868	1 318	1 382	812	579	365	2 304	124 937	142 566		
Other	2500										775	
<b>Total By Customer Group</b>	<b>2600</b>	<b>159 649</b>	<b>24 792</b>	<b>32 012</b>	<b>29 653</b>	<b>14 003</b>	<b>204 265</b>	<b>48 008</b>	<b>513 461</b>	<b>1 025 842</b>	<b>775</b>	

#### Centlec (Soc) Ltd- Debtors Age Analysis by Customer Group as at 31 December 2020:

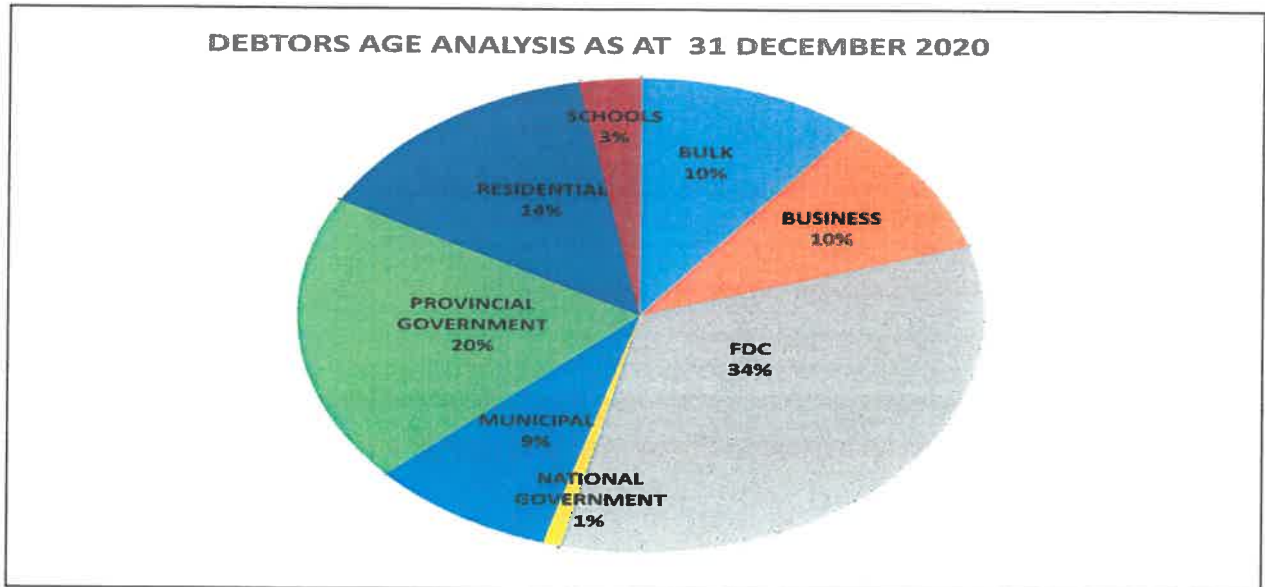
The following chart illustrates that the major debt is reflected in the over 1 year category. An amount of R 519,965 million is outstanding in this category (1 year and older), with R 312,351 million attributable to organs of state.

Debtors Age Analysis By Customer Group	NT Code	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Organs of State	2200	19 579 588	16 441 380	16 229 025	24 031 703	24 010 266	10 097 033	231 057 413	312 351 950	653 798 359
Commercial	2300	98 756 713	14 003 341	7 245 084	6 597 848	4 830 313	3 326 960	12 617 361	81 947 456	229 325 074
Households	2400	9 115 743	1 752 255	1 317 669	1 382 043	812 388	578 970	2 093 639	125 513 307	142 566 013
Other	2500								152 478	152 585
<b>Total By Customer Group</b>	<b>2600</b>	<b>127 452 044</b>	<b>32 196 975</b>	<b>24 791 778</b>	<b>32 011 594</b>	<b>29 652 967</b>	<b>14 002 963</b>	<b>245 768 413</b>	<b>519 965 191</b>	<b>1 025 842 031</b>

**Centlec (Soc) Ltd- Debtors Age Analysis by Customer Class as at 31 December 2020:**

Description	Sum of Current Ageing	Sum of 30 Days Ageing	Sum of 60 Days Ageing	Sum of 90 Days Ageing	Sum of 120+ Days Ageing	Sum of Total Ageing
BLOEM WATER	294 572					294 572
BULK	58 476 117	7 779 744	3 828 481	3 134 024	25 669 621	98 887 987
BUSINESS	38 053 948	5 401 645	2 836 450	2 703 658	48 788 255	97 783 956
CHURCHES	231 880	28 797	1 150	1 490	1 350 148	1 613 466
CRECHE	4 582	4 366	3 090	6 510	230 862	249 410
EDUCATION - UNIVERSITY	125 071	114 910	36 173	46 132	155 785	478 072
FDC	1 925 442	2 399 844	2 036 528	2 640 446	335 932 235	344 934 496
GOVERNMENT NATIONAL	4 878 778	254 531	33 951	38 198	5 307 133	10 512 590
INDIGENTS	8 793	3 533	3 310	788	3 967	20 392
MUNICIPAL	5 227 796	5 336 165	5 079 392	7 141 676	72 213 179	94 998 207
PROVINCIAL GOVERNMENT	7 539 963	8 445 039	9 072 607	14 201 843	164 059 517	203 318 970
RESIDENTIAL	9 106 950	1 748 722	1 314 359	1 381 255	128 994 336	142 545 621
SCHOOLS	1 578 151	679 678	546 287	715 574	26 532 016	30 051 705
TRAINING AND DEVELOPMENT				107	152 478	152 585
<b>TOTAL</b>	<b>127 452 044</b>	<b>32 196 975</b>	<b>24 791 778</b>	<b>32 011 701</b>	<b>809 389 534</b>	<b>1 025 842 031</b>

The following chart indicates the outstanding debtors per customer group:



**Commentary on the Outstanding Debtors account (Table SF3)**

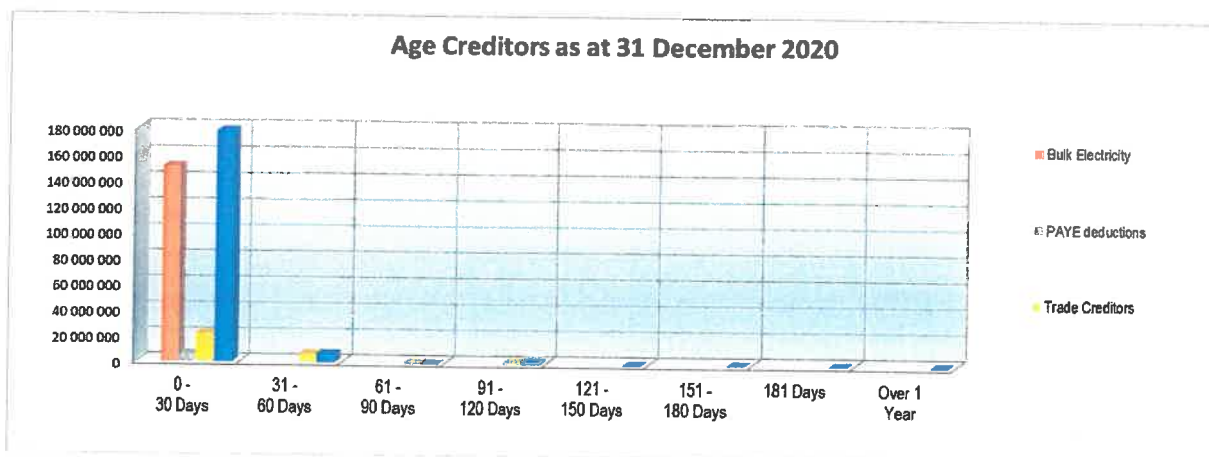
- The total outstanding debtors >90 days balance as at 31 December 2020 amounts to R 841,401 million for the mid-year.

## 2.2 Creditors' Analysis (Supporting Table SF4)

The Creditors report has been prepared on the basis of the prescribed format required to be submitted to the Parent Municipality. This format provides an extended aged analysis (per type). The total creditors amounted to R 187,181 million for the mid-year period ended 31 December 2020.

Centlec (SOC) Ltd - Supporting Table F4 Entity Aged creditors - M06 December										
Detail	NT Code	Current Year 2020/21								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1	
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	150 910								150 910
Bulk Water	0200									
PAYE deductions	0300	5 742								5 742
VAT (output less input)	0400									
Pensions / Retirement deductions	0500									
Loan repayments	0600									
Trade Creditors	0700	22 046	6 809	45	1 629					30 529
Auditor General	0800									
Other	0900									
<b>Total By Customer Type</b>	<b>2600</b>	<b>178 698</b>	<b>6 809</b>	<b>45</b>	<b>1 629</b>					<b>187 181</b>

The following chart indicates the outstanding creditors:



### Commentary on the Outstanding Creditors account (Table SF4)

- The total outstanding creditors >31days balances as at 31 December 2020 amounts to R 8,483 million.
- Creditors >31days for R 8,483 million is due to internal control deficiencies.

### 2.3 Investment Portfolio Analysis (Annexure B: SF5)

INVESTMENTS (R THOUSANDS)	YTD CLOSING BALANCE AS AT 31 DECEMBER 2020
ABSA - 1 Day Account	2
<b>Total Investments</b>	<b>2</b>

The table below indicates the status of the investment portfolio and detail of the instruments of where the funds are invested which amounts to R 2,000 as at 31 December 2020. The interest received for the month ending 31 December 2020 for all investment accounts amounts to R 0.82.

#### 1 Day Call Account Investment as at end of 31 December 2020:

Centlec - Supporting Table F5 Entity investment portfolio monthly statement - M06 December								
Investments by maturity		Current Year 2020/21						
Name of institution & investment ID	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
R thousands						Begin	Change	End
ABSA - 1 Day Account	February 2013	Call Account	n/a	1	6%	2		2
<b>Total investments</b>						2		2



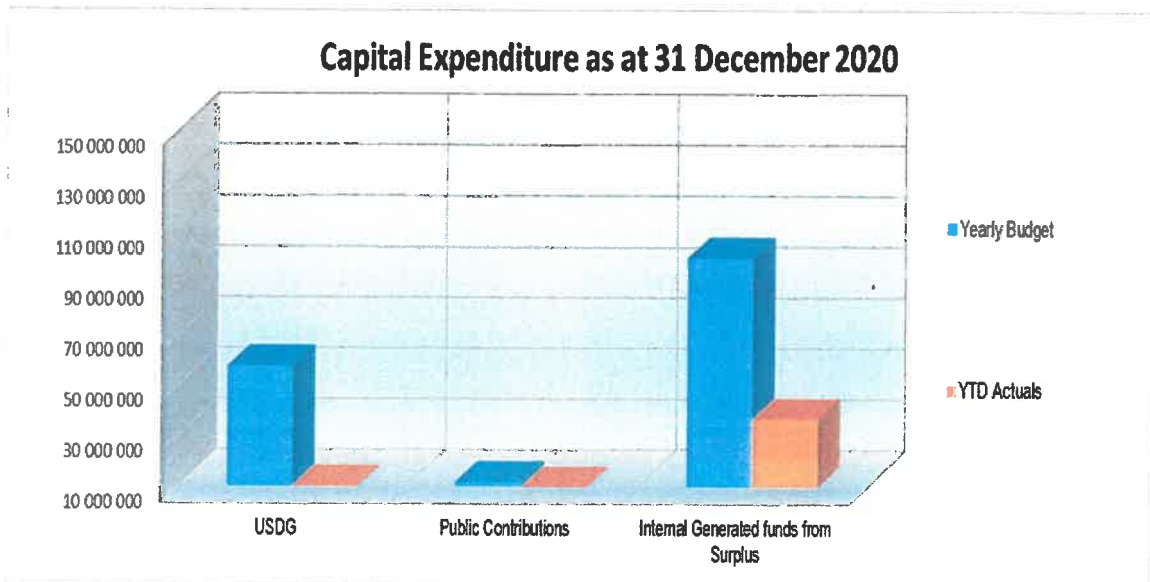
## 2.4 Capital Programme Performance

The Capital expenditure report shown in **Annexure B** has been prepared on the basis of the prescribed format required to be submitted to the Parent Municipality, and is categorized into major output “type”. The actual spending to date is R 54,883 million (32.3%) on the year to date budget allocation of R 169,725 million.

### Summary Statement of Capital Expenditure – Financing

Description	Yearly Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD %
USDG	57 500	10 378	47 121	18.0%
Public Contributions	11 933	7 520	4 413	63.0%
Internal Generated funds from Surplus	100 292	36 984	63 308	36.9%
<b>Total Financing</b>	<b>169 725</b>	<b>54 883</b>	<b>114 842</b>	<b>32.3%</b>

The following chart indicates the capital expenditure funding for the year ending 31 December 2020.



The status of the year-to-date capital expenditure, compared to the standard classification for the key infrastructure items as indicated in *Table F3* are:

Centlec (SOC) Ltd - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Capital expenditure by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	<b>86 250</b>	<b>140 758</b>	<b>34 673</b>	<b>65 146</b>	<b>30 472</b>	<b>46.8%</b>	<b>125 058</b>
Electrical Infrastructure	86 250	140 758	34 673	65 146	30 472	46.8%	125 058
<i>Power Plants</i>		1 000		500	500	100.0%	1 000
<i>HV Substations</i>		8 526	207	4 263	4 056	95.1%	8 526
<i>MV Substations</i>							
<i>MV Networks</i>	24 396	28 349	7 261	12 308	5 047	41.0%	22 749
<i>LV Networks</i>	61 854	101 883	27 205	47 842	20 636	43.1%	92 583
<i>Capital Spares</i>							
<i>Unimproved Property</i>							
<b>Other assets</b>							
Operational Buildings							
<i>Municipal Offices</i>							
<i>Training Centres</i>							
<b>Computer Equipment</b>	<b>14 794</b>	<b>10 175</b>	<b>937</b>	<b>5 087</b>	<b>4 150</b>	<b>81.6%</b>	<b>10 175</b>
Computer Equipment	14 794	10 175	937	5 087	4 150	81.6%	10 175
<b>Furniture and Office Equipment</b>	<b>4 998</b>	<b>219</b>		<b>110</b>	<b>110</b>	<b>100.0%</b>	<b>219</b>
Furniture and Office Equipment	4 998	219		110	110	100.0%	219
<b>Total Capital Expenditure</b>	<b>110 239</b>	<b>169 725</b>	<b>54 883</b>	<b>84 863</b>	<b>29 980</b>	<b>35.3%</b>	<b>169 725</b>
<b>Funded by:</b>							
National Government	23 964	62 500	10 378	31 250	20 871	66.8%	62 500
Provincial Government							
Parent Municipality	9 578	11 933	7 520	5 966	(1 554)	-26.0%	11 933
District Municipality							
<b>Transfers recognised - capital</b>	<b>33 542</b>	<b>74 433</b>	<b>17 898</b>	<b>37 216</b>	<b>19 318</b>	<b>51.9%</b>	<b>74 433</b>
<b>Public contributions &amp; donations</b>							
<b>Borrowing</b>							
Internally generated funds	76 696	95 292	36 984	47 646	10 662	22.4%	95 292
<b>Total Capital Funding</b>	<b>110 239</b>	<b>169 725</b>	<b>54 883</b>	<b>84 863</b>	<b>29 980</b>	<b>35.3%</b>	<b>169 725</b>

## 2.5 Other Supporting Tables

Supporting Table SF 1 – Material variance explanation

Supporting Table SF 2 – Financial and Non-Financial Indicators

Supporting Table SF3 – Aged Debtors

Supporting Table SF4 – Aged Creditors

Supporting Table SF5 – Investment Portfolio

Supporting Table SF6 – Board member allowances and staff benefits

Supporting Table SF7 – Monthly Actuals & revised targets

Supporting Table SF8(a) – Capital expenditure on new assets

Supporting Table SF8(b) – Capital expenditure on existing assets by asset category

Supporting Table SF8'(c)–Expenditure on Repairs & Maintenance by asset category

Supporting Table SF8'(d) – Expenditure on Depreciation by asset category

Supporting Table SF8'(e) – Expenditure on upgrading of Existing by asset category



## Supporting Table SF 1 – Material variances explanations

Centlec (SOC) Ltd - Supporting Table F1 Entity Material variance explanation - M06 December			
R thousands	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
<b>Revenue Items</b>			
Service charges - electricity revenue	28 849	YTD favourable variance against the YTD Budget. The variance is due to increased electricity consumption by customers.	None. Performance is on target.
Interest earned - external investments	(1 907)	YTD unfavourable variance is due to withdrawals on investments.	None.
Interest earned - outstanding debtors	6 117	YTD favourable variance against the YTD Budget is due to increasing debt book.	None.
Other revenue	(4 616)	YTD unfavourable variance against the YTD budget is due to under collection on other revenue line items.	None.
<b>Expenditure Items</b>			
Employee related costs	5 468	YTD unfavourable variance against the Budget	Monitoring of spending on employee related cost.
Bulk purchases	207 823	YTD unfavourable variance is due to increased	
Contracted services	(14 650)	YTD favourable variance than the anticipated YTD	
Other Expenditure	(11 759)	YTD favourable variance than the anticipated YTD	
<b>Capital Expenditure items</b>			
Capital Expenditure projects	29 980	YTD unfavourable variance against the anticipated Ytd budget allocation is due to lockdown because we could not implement the projects as planned.	
<b>Cash flow items</b>			
Ratepayers and other	529 440	YTD favourable variance against the YTD Budget. The variance is due to increased electricity consumption by customers.	
Suppliers and employees	(581 962)	YTD unfavourable variance against the YTD Budget than anticipated is due to Bulk purchases (Eskom) for June 2019 that was paid in July 2020.	
<b>Measurable performance</b>			
Client elected not to populate this sheet			
<b>Total variance</b>			

## Supporting Table SF 2 – Financial and Non-Financial Indicators

Centlec (SOC) Ltd - Supporting Table F2 Entity Financial and non-financial indicators - M06 December					
Description of financial indicator	Basis of calculation	2019/20	Current Year 2020/21		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>					
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets	0.0%	0.0%	0.0%	0.0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure	5.9%	3.0%	6.2%	3.0%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>					
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	134.5%	33.2%	137.5%	33.2%
Gearing	Long Term Borrowing/ Funds & Reserves				
<b>Liquidity</b>					
Current Ratio	Current assets/current liabilities	70.3%	143.4%	72.1%	143.4%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days	70.3%	143.4%	72.1%	143.4%
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6%	18.2%	(0.4%)	18.2%
<b>Revenue Management</b>					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	0.0%	0.0%	100.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	135.6%	28.2%	270.2%	28.2%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>					
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))				
<b>Funding of Provisions</b>					
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions				
<b>Other Indicators</b>					
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated			11.29%	
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source				
Employee costs	Employee costs/Total Revenue - capital revenue	14.2%	13.4%	13.5%	13.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	6.1%	2.7%	6.2%	2.7%
<b>Financial viability indicators</b>					
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	(3726.2%)	16186.5%	(23957.9%)	16186.5%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	33.7%	28.7%	56.1%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.0%	0.0%	0.0%	0.0%

## Supporting Table SF5 – Investment Portfolio

Centlec - Supporting Table F5 Entity investment portfolio monthly statement - M06 December								
Investments by maturity	Current Year 2020/21							
Name of institution & investment ID	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
R thousands						Begin	Change	End
ABSA - 1 Day Account	February 2013	Call Account	n/a	1	6%	2		2
<b>Total investments</b>						<b>2</b>		<b>2</b>

### Supporting Table SF6 – Board member allowances & staff benefits

Gentlec (Soc) Ltd - Supporting Table F6 Entity Board member allowances & staff benefits - M06 December							
Summary of Employee and Board Member remuneration	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	A	B					D
<b>Remuneration</b>							
<b>Board Members of Entities</b>							
Basic Salaries	597	1 832	351	916	(565)	-61.7%	1 832
Pension Contributions							
Medical Aid Contributions							
Motor vehicle allowance							
Cell phone allowance							
Housing allowance							
Other benefits and allowances							
In-kind benefits							
Board Fees							
<b>Sub Total - Board Members of Entities</b>	<b>597</b>	<b>1 832</b>	<b>351</b>	<b>916</b>	<b>(565)</b>	<b>-61.7%</b>	<b>1 832</b>
<b>% increase</b>							<b>206.7%</b>
<b>Senior Managers of Entities</b>							
Basic Salaries	3 474	12 953		6 476	(6 476)	-100.0%	12 953
Pension Contributions	4	456		228	(228)	-99.9%	456
Medical Aid Contributions	43	116		58	(58)	-100.0%	116
Motor vehicle allowance		539		269	(269)	-100.0%	539
Cell phone allowance	24	129		64	(64)	-100.0%	129
Housing allowance							
Other benefits or allowances							
Performance Bonus							
In-kind benefits							
<b>Sub Total - Senior Managers of Entities</b>	<b>3 544</b>	<b>14 192</b>		<b>7 096</b>	<b>(7 096)</b>	<b>-100.0%</b>	<b>14 192</b>
<b>% increase</b>							<b>300.5%</b>
<b>Other Staff of Entities</b>							
Basic Salaries	217 254	211 224	117 007	105 612	11 395	10.8%	211 224
Pension Contributions	37 158	34 000	19 654	17 000	2 654	15.6%	34 000
Medical Aid Contributions	21 144	31 453	10 949	15 727	(4 777)	-30.4%	31 453
Motor vehicle allowance	22 014	18 328	11 054	9 164	1 890	20.6%	18 328
Cell phone allowance	817	876	418	438			876
Housing allowance	1 345	1 357	733	679	55	8.0%	1 357
Overtime	1 674	1 758	881	879	2	0.2%	1 758
Performance Bonus	16 481	15 666	7 445	7 833	(388)	-5.0%	15 666
Other benefits or allowances	49 200	40 505	22 008	20 253	1 755	8.7%	40 505
In-kind benefits							
<b>Sub Total - Other Staff of Entities</b>	<b>367 086</b>	<b>355 167</b>	<b>190 149</b>	<b>177 585</b>	<b>12 564</b>	<b>7.1%</b>	<b>355 167</b>
<b>Total Municipal Entities remuneration</b>	<b>371 227</b>	<b>371 192</b>	<b>190 500</b>	<b>185 597</b>	<b>4 903</b>	<b>2.6%</b>	<b>371 192</b>

## Supporting Table SF7 – Monthly actuals & revised targets

Centlec (SOC) Ltd - Supporting Table F7 Entity monthly actuals & revised targets - M06 December															
Description	Current year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted	Adjusted	Adjusted	Adjusted
<b>Revenue By Source</b>															
Service charges	270 746	282 283	262 850	308 177	87 936	179 035	189 970	186 284	169 860	254 717	252 163	270 316	2 724 359	2 793 128	2 926 974
Rental of facilities and equipment															
Other revenue	2 905	3 146	3 674	5 634	1 446	3 205	1 201	1 201	1 201	1 201	1 201	84 303	110 319	80 222	85 225
Gains on disposal of PPE			1				30	30	30	30	30	209	360	377	396
<b>Total Revenue</b>	<b>273 651</b>	<b>285 429</b>	<b>266 526</b>	<b>313 811</b>	<b>89 382</b>	<b>182 240</b>	<b>201 202</b>	<b>187 515</b>	<b>171 091</b>	<b>255 948</b>	<b>253 414</b>	<b>354 828</b>	<b>2 835 037</b>	<b>2 873 728</b>	<b>3 012 595</b>
<b>Expenditure By Type</b>															
Employee related costs	31 055	62 793	31 078	32 097	31 870	1 256	30 780	30 780	30 780	30 780	30 780	25 311	369 360	395 215	422 880
Remuneration of Board Members	50	100	50	50	16	86	153	153	153	153	153	718	1 832	1 920	2 012
Debt impairment	775	775	775	775	775	775	775	775	775	775	775	775	9 298	9 744	10 212
Depreciation & asset impairment	10 926	10 926	10 926	18 107		36 214	6 179	6 179	6 179	6 179	6 179	(43 846)	74 148	77 707	81 437
Finance charges	5	5	5	5	5	5	5	5	5	5	5	5	57	59	62
Dividends paid															
Bulk purchases	253 572	228 452	123 027	175 995	128 334	116 979	116 090	107 798	97 847	149 258	147 723	11 350	1 658 425	1 738 030	1 848 455
Other materials	1 751	1 416	1 063	2 152	2 283	2 701	2 528	2 528	2 528	2 528	2 528	6 339	30 335	31 789	33 313
Contracted services	732	13 312	8 526	9 204	9 307	7 767	10 583	10 583	10 583	10 583	10 583	25 233	126 999	133 095	139 483
Dividend paid (Non-Cash)					8 200		10 000	10 000	10 000	10 000	10 000	63 800	120 000	120 000	120 000
Other expenditure	4 967	2 824	3 304	5 574	3 852	3 706	5 997	5 997	5 997	5 997	5 997	17 756	71 969	75 423	79 044
Loss on disposal of PPE			82		2							(84)			
<b>Total expenditure</b>	<b>303 832</b>	<b>320 602</b>	<b>178 826</b>	<b>243 958</b>	<b>182 643</b>	<b>171 489</b>	<b>183 089</b>	<b>174 797</b>	<b>164 847</b>	<b>216 258</b>	<b>214 723</b>	<b>107 356</b>	<b>2 462 422</b>	<b>2 582 982</b>	<b>2 736 898</b>
<b>Capital expenditure</b>															
Capital assets	1 045	2 344	8 693	20 872	11 793	10 136	14 144	14 144	14 144	14 144	14 144	44 124	169 725	124 041	129 048
<b>Total capital expenditure</b>	<b>1 045</b>	<b>2 344</b>	<b>8 693</b>	<b>20 872</b>	<b>11 793</b>	<b>10 136</b>	<b>14 144</b>	<b>14 144</b>	<b>14 144</b>	<b>14 144</b>	<b>14 144</b>	<b>44 124</b>	<b>169 725</b>	<b>124 041</b>	<b>129 048</b>
<b>Cash flow</b>															
Ratepayers and other	247 606	546 573	290 568	295 133	236 939	257 042	188 907	175 497	159 405	242 548	240 065	(198 251)	2 682 034	2 750 631	2 882 444
Grants									17 358			52 075	69 433	37 374	40 320
Interest	78	45	67	55	34	43	1 424	1 424	1 424	1 424	1 424	9 645	17 086	17 906	18 765
Suppliers, employees and other	(261 577)	(510 476)	(314 389)	(283 199)	(218 974)	(209 668)	(170 273)	(158 111)	(143 516)	(218 922)	(216 671)	273 313	(2 432 471)	(2 555 411)	(2 685 705)
Finance charges		(92)	(92)	(358)	(371)	(202)	(5)	(5)	(5)	(5)	(5)	1 082	(57)	(59)	(62)
Dividends paid					(6 200)		(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(63 800)	(120 000)	(120 000)	(120 000)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(13 892)</b>	<b>36 049</b>	<b>(23 856)</b>	<b>11 630</b>	<b>11 429</b>	<b>47 216</b>	<b>10 054</b>	<b>8 806</b>	<b>24 657</b>	<b>15 045</b>	<b>14 814</b>	<b>74 064</b>	<b>216 025</b>	<b>139 441</b>	<b>135 762</b>
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Proceeds on disposal of PPE												348	349	366	384
Capital assets	(1 045)	(2 344)	(8 693)	(20 872)	(11 793)	(10 136)	(16 941)	(16 941)	(16 941)	(16 941)	(16 941)	(25 044)	(164 633)	(120 320)	(125 177)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1 045)</b>	<b>(2 344)</b>	<b>(8 693)</b>	<b>(20 872)</b>	<b>(11 793)</b>	<b>(10 136)</b>	<b>(16 941)</b>	<b>(16 941)</b>	<b>(16 941)</b>	<b>(16 941)</b>	<b>(16 941)</b>	<b>(24 605)</b>	<b>(164 284)</b>	<b>(119 954)</b>	<b>(124 793)</b>
Borrowing long term/refinancing/short term															
Repayment of borrowing															
Increase in consumer deposits	(93)	204					393	393	393	393	393	(6 410)	(4 333)	(4 629)	(4 842)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(93)</b>	<b>204</b>					<b>393</b>	<b>393</b>	<b>393</b>	<b>393</b>	<b>393</b>	<b>(6 410)</b>	<b>(4 333)</b>	<b>(4 629)</b>	<b>(4 842)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(15 031)</b>	<b>33 910</b>	<b>(32 549)</b>	<b>(9 241)</b>	<b>(364)</b>	<b>37 080</b>	<b>(6 484)</b>	<b>(7 742)</b>	<b>8 119</b>	<b>(1 503)</b>	<b>(1 734)</b>	<b>42 959</b>	<b>47 407</b>	<b>5 858</b>	<b>6 127</b>



### Supporting Table S8 (a) – Capital expenditure on new assets

Centlec (SOC) Ltd - Supporting Table F8a Entity capital expenditure on new assets by asset class - M06 December							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	69 236	109 812	32 150	53 973	21 823	40.4%	107 012
Electrical Infrastructure	69 236	109 812	32 150	53 973	21 823	40.4%	107 012
<i>Power Plants</i>		1 000		500	500	100.0%	1 000
<i>HV Substations</i>		7 026	67	3 513	3 446	98.1%	7 026
<i>MV Networks</i>	11 604	12 000	5 369	6 000	631	10.5%	12 000
<i>LV Networks</i>	57 632	89 786	26 714	43 960	17 246	39.2%	86 986
<i>Capital Spares</i>							
<b>Community Assets</b>	4 196	12 574	19 047	11 520	(7 527)	-65.3%	28 274
Community Facilities	4 009	11 715	19 047	11 091	(7 956)	-71.7%	27 415
<i>Halls</i>							
<i>Centres</i>	4 009	11 715	19 047	11 091	(7 956)	-71.7%	27 415
Sport and Recreation Facilities	188	859		429	429	100.0%	859
<i>Indoor Facilities</i>							
<i>Outdoor Facilities</i>	188	859		429	429	100.0%	859
<i>Capital Spares</i>							
<b>Computer Equipment</b>	14 794	10 175	937	5 087	4 150	81.6%	10 175
Computer Equipment	14 794	10 175	937	5 087	4 150	81.6%	10 175
<b>Furniture and Office Equipment</b>	4 998	219		110	110	100.0%	219
Furniture and Office Equipment	4 998	219		110	110	100.0%	219
<b>Machinery and Equipment</b>		1 000		500	500	100.0%	1 000
Machinery and Equipment		1 000		500	500	100.0%	1 000
<b>Transport Assets</b>		5 000	225	2 500	2 275	91.0%	5 000
T ransport Assets		5 000	225	2 500	2 275	91.0%	5 000
<b>Total Capital Expenditure on new assets</b>	<b>93 225</b>	<b>138 779</b>	<b>52 359</b>	<b>73 690</b>	<b>21 330</b>	<b>28.9%</b>	<b>151 679</b>

**Supporting Table SF8 (b) – Capital expenditure on existing assets by asset category**

<b>- Supporting Table F8b Entity capital expenditure on the renewal of existing assets by asset class - M06 December</b>							
Description	2019/20	Current Year 2020/21					
	Audited Outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	1 622	12 424	2 253	5 546	3 293	59.4%	10 424
Electrical Infrastructure	1 622	12 424	2 253	5 546	3 293	59.4%	10 424
Power Plants							
HV Substations		1 500	140	750	610	81.3%	1 500
HV Switching Station							
HV Transmission Conductors							
MV Substations							
MV Switching Stations							
MV Networks	1 504	7 827	1 892	3 914	2 022	51.7%	7 827
LV Networks	119	3 097	221	882	661	75.0%	1 097
Capital Spares							
<b>Other assets</b>							
Operational Buildings							
Municipal Offices							
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1 622</b>	<b>12 424</b>	<b>2 253</b>	<b>5 546</b>	<b>3 293</b>	<b>59.4%</b>	<b>10 424</b>

**Supporting Table SF8 (c) – Expenditure on Repairs & Maintenance by asset category**

<b>- Supporting Table F8c Entity expenditure on repairs and maintenance by asset class - M06 December</b>								
Description	2019/20	Current Year 2020/21						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	94 701	94 948	(336)	48 917	47 474	(1 443)	-3.0%	94 948
Electrical Infrastructure	94 701	94 948	(336)	48 917	47 474	(1 443)	-3.0%	94 948
<i>Power Plants</i>	90 363	88 065	(369)	46 850	44 033	(2 817)	-6.4%	88 065
<i>HV Substations</i>	4 338	6 883	33	2 067	3 442	1 375	39.9%	6 883
<i>LV Networks</i>	6 788	14 818	(261)	3 487	7 409	3 922	52.9%	14 818
<b>Other assets</b>	6 788	14 818	(261)	3 487	7 409	3 922	52.9%	14 818
<i>Operational Buildings</i>	6 788	14 818	(261)	3 487	7 409	3 922	52.9%	14 818
<i>Municipal Offices</i>	929	552	37	516	276	(240)	-87.1%	552
Machinery and Equipment	929	552	37	516	276	(240)	-87.1%	552
<b>Machinery and Equipment</b>	7 888	5 651	1 332	2 996	2 826	(171)	-6.0%	5 651
	7 888	5 651	1 332	2 996	2 826	(171)	-6.0%	5 651
<b>Total Repairs and Maintenance Expenditure</b>	<b>110 306</b>	<b>115 970</b>	<b>772</b>	<b>55 917</b>	<b>57 985</b>	<b>2 068</b>	<b>3.6%</b>	<b>115 970</b>



### Supporting Table SF8 (d) – Expenditure on Depreciation by asset category

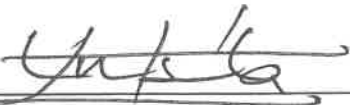
- Supporting Table F8d Entity Depreciation by asset class - M06 December								
Description	2019/20	Current Year 2020/21						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Depreciation by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	126 060	40 214	31 520	74 313	20 107	(54 206)	-269.6%	40 214
Electrical Infrastructure	126 060	40 214	31 520	74 313	20 107	(54 206)	-269.6%	40 214
LV Networks	126 060	40 214	31 520	74 313	20 107	(54 206)	-269.6%	40 214
<b>Community Assets</b>	2 738		456	684		(684)	0.0%	
Community Facilities	2 738		456	684		(684)	0.0%	
Halls	2 738		456	684		(684)	0.0%	
<b>Intangible Assets</b>	8 212	3 723	1 909	4 079	1 861	(2 217)	-119.1%	3 723
Servitudes								
Licences and Rights	8 212	3 723	1 909	4 079	1 861	(2 217)	-119.1%	3 723
Water Rights								
Effluent Licenses								
Solid Waste Licenses								
Computer Software and Applications	8 212	3 723	1 909	4 079	1 861	(2 217)	-119.1%	3 723
Load Settlement Software Applications								
Unspecified								
<b>Furniture and Office Equipment</b>	7 201	11 267	1 334	4 765	5 634	868	15.4%	11 267
Furniture and Office Equipment	7 201	11 267	1 334	4 765	5 634	868	15.4%	11 267
<b>Machinery and Equipment</b>	963	359		47	179	133	73.9%	359
Machinery and Equipment	963	359		47	179	133	73.9%	359
<b>Transport Assets</b>	5 968	18 586	994	3 211	9 293	6 082	65.4%	18 586
Transport Assets	5 968	18 586	994	3 211	9 293	6 082	65.4%	18 586
<b>Total Depreciation</b>	<b>142 487</b>	<b>74 148</b>	<b>36 214</b>	<b>87 099</b>	<b>37 074</b>	<b>(50 025)</b>	<b>-134.9%</b>	<b>74 148</b>

### Supporting Table SF8 (e) – Expenditure on Upgrading of Existing by asset class

- Supporting Table F8e Entity capital expenditure on the upgrading of existing assets by asset class - M06 December								
Description	2019/20	Current Year 2020/21						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	15 392	18 522	221	271	5 627	5 357	95.2%	7 622
Electrical Infrastructure	15 392	18 522	221	271	5 627	5 357	95.2%	7 622
Power Plants								
HV Substations								
HV Switching Station								
HV Transmission Conductors		1 000			233	233	100.0%	200
MV Substations								
MV Switching Stations								
MV Networks	11 288	8 522			2 394	2 394	100.0%	2 922
LV Networks	4 103	9 000	221	271	3 000	2 729	91.0%	4 500
Capital Spares								
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>15 392</b>	<b>18 522</b>	<b>221</b>	<b>271</b>	<b>5 627</b>	<b>5 357</b>	<b>95.2%</b>	<b>7 622</b>

## CERTIFICATION

Print Name MATSIMELA M M  
CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD

Signature 

Date 15/01/2021


**Accounting Officer's certification:**

I, Mafane Sefoto, Chief Executive Officer of Centlec (SOC) Ltd, hereby certify that the

- Monthly Budget Statements
- Mid-Year Budget and Performance Assessment Report

For the period ended 31 December 2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act, and that the budget statement tables and supporting documentation are consistent with the business plan of the Entity, the service delivery agreement with the Parent Municipality and the Integrated Development Plan of the Parent Municipality.

Print Name Mafane Sefoto  
CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD

Signature 

Date 2021/01/19