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# MID-YEAR FINANCIAL REPORT ENDED 31 DECEMBER 2022



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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 2022 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 experienced a decline during the current and past few years. This downward movement is mainly attributed to the constraints on supply by Eskom, 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 is projecting a slow to negative revenue growth from initially projected at the beginning of the financial year.

Expenditure, mainly bulk purchases and repairs & maintenance is higher than originally budgeted. Bulk purchases actual expenditure for 6 months is higher than the budgeted amount due to actual expenditure including two winter months which is significantly higher than the 12 month straightlined budget across 6 months. Load shedding had a negative impact on equipment requiring more repairs & maintenance. Late start of capital refurbishment projects contributed to the under expenditure for the year to date which cushioned the expenditure to date.

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  | 2021/22          | Current Year 2022/23 |                 |                  |                  |                  |              |                    |
|  | 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  | 2 886 778        | 3 494 847            | 197 930         | 1 517 809        | 1 747 423        | (230)            | -13%         | 3 494 847          |
| Investment revenue   | 784              | 4 489                | 114             | 755              | 2 244            | (1 489)          | -66%         | 4 489              |
| Other own revenue  | 47 067           | 59 550               | 3 834           | 14 394           | 29 775           | (15 381)         | -52%         | 59 550             |
| <b>and contributions)</b>  | <b>2 934 629</b> | <b>3 558 886</b>     | <b>201 878</b>  | <b>1 532 959</b> | <b>1 779 443</b> | <b>(246 484)</b> | <b>-14%</b>  | <b>3 558 886</b>   |
| Employee costs   | 424 688          | 427 909              | 37 093          | 223 041          | 213 955          | 9 086            | 4%           | 428 695            |
| Remuneration of Board Members  |                  | 785                  | 9               | 38               | 393              | (355)            | -90%         |                    |
| Depreciation and asset impairment  | 233 492          | 76 592               | 19 453          | 116 252          | 38 296           | 77 956           | 204%         | 76 592             |
| Finance charges  | 10 091           | 241                  | 20              | 120              | 120              | 0                | 0%           | 120 241            |
| Materials and bulk purchases   | 2 106 339        | 2 198 580            | 151 901         | 1 183 443        | 1 099 290        | 84 153           | 8%           | 2 198 530          |
| Transfers and grants   |                  | 120 000              |                 | 10 000           | 60 000           | (50 000)         | -83%         |                    |
| Other expenditure  | 394 374          | 343 803              | 28 291          | 128 054          | 171 902          | (43 848)         | -26%         | 343 853            |
| <b>Total Expenditure</b>   | <b>3 168 984</b> | <b>3 167 911</b>     | <b>236 767</b>  | <b>1 660 948</b> | <b>1 583 955</b> | <b>76 993</b>    | <b>5%</b>    | <b>3 167 911</b>   |
| <b>Surplus/(Deficit)</b>   | <b>(234 355)</b> | <b>390 975</b>       | <b>(34 889)</b> | <b>(127 990)</b> | <b>195 487</b>   | <b>(323 477)</b> | <b>-165%</b> | <b>390 975</b>     |
| Transfers recognised - capital   | 24 753           | 20 000               |                 |                  | 10 000           | (10 000)         | -100%        | 20 000             |
| Contributions & Contributed assets   | 20 089           | 14 300               |                 | 1 605            | 7 150            | (5 545)          | -78%         | 14 300             |
| <b>contributions</b>   | <b>(189 513)</b> | <b>425 275</b>       | <b>(34 889)</b> | <b>(126 385)</b> | <b>212 637</b>   | <b>(339 022)</b> | <b>-159%</b> | <b>425 275</b>     |
| Taxation   |                  |                      |                 |                  |                  |                  |              |                    |
| <b>Surplus/ (Deficit) for the year</b>                                       | <b>(189 513)</b> | <b>425 275</b>       | <b>(34 889)</b> | <b>(126 385)</b> | <b>212 637</b>   | <b>(339 022)</b> | <b>-159%</b> | <b>425 275</b>     |
| <b>Capital expenditure &amp; funds sources</b>                               |                  |                      |                 |                  |                  |                  |              |                    |
| <b>Capital expenditure</b>   | 156 011          | 265 225              | 7 912           | 64 504           | 132 613          | (68 109)         | -51%         | 265 225            |
| Transfers recognised - capital   | 35 566           | 34 300               | 944             | 8 455            | 17 150           | (8 695)          | -51%         | 34 300             |
| Internally generated funds   | 120 444          | 230 925              | 6 968           | 56 049           | 115 463          | (59 414)         | -51%         | 230 925            |
| <b>Total sources of capital funds</b>  | <b>156 011</b>   | <b>265 225</b>       | <b>7 912</b>    | <b>64 504</b>    | <b>132 613</b>   | <b>(68 109)</b>  | <b>-51%</b>  | <b>265 225</b>     |
| <b>Financial position</b>  |                  |                      |                 |                  |                  |                  |              |                    |
| Total current assets   | 4 102 867        | 722 065              |                 | 4 035 126        |                  |                  |              | 722 065            |
| Total non current assets   | 7 673 973        | 7 728 789            |                 | 7 619 002        |                  |                  |              | 7 728 789          |
| Total current liabilities  | 6 197 226        | 872 965              |                 | 6 233 993        |                  |                  |              | 872 965            |
| Total non current liabilities  | 1 389 247        | 1 564 910            |                 | 1 389 363        |                  |                  |              | 1 564 910          |
| Community wealth/Equity  | <b>4 190 368</b> | <b>6 012 979</b>     |                 | <b>4 030 772</b> |                  |                  |              | <b>6 012 979</b>   |
| <b>Cash flows</b>  |                  |                      |                 |                  |                  |                  |              |                    |
| Net cash from (used) operating   | 216 025          | 405 682              | (19 898)        | 106 295          | 202 841          | (96 546)         | -48%         | 405 682            |
| Net cash from (used) investing   | (164 633)        | (294 678)            | (19 882)        | (122 923)        | (147 339)        | 24 416           | -17%         | (294 678)          |
| Net cash from (used) financing   |                  |                      |                 |                  |                  |                  |              |                    |
| <b>Cash/cash equivalents at the year end</b>                                 | <b>51 391</b>    | <b>199 756</b>       | <b>(10 502)</b> | <b>(162 428)</b> | <b>55 502</b>    | <b>(217 931)</b> | <b>-393%</b> | <b>111 005</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.

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## **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 2022. All variances are calculated against the approved budget figures. The results for the six months ended 31 December 2022 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 | 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   | 3 558 886     | 1 779 443                  | 1 532 959        | 246 484               | 13.9%               | 1 532 959    | 57%            |
| Expenditure by Type | 3 167 911     | 1 583 955                  | 1 660 948        | (76 993)              | -4.9%               | 1 660 948    | 48%            |
| Surplus / (Deficit) | 390 975       | 195 488                    | (127 990)        | 323 477               | 165.5%              | (127 990)    | 133%           |

#### Notes:

- A** – Unfavourable variance of R 246,484 million against the mid-year budget allocation mainly due to energy conservation by customers and constraints on supply by Eskom.
- B** – Unfavourable variance of R 76,993 million against the mid-year budget allocation. The variance is due to increase in Bulk Purchases, Employee Related Costs and Depreciation.



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

| Centlec - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December  |                  |                      |                  |                 |                  |                  |                  |                |       |
|---|------------------|----------------------|------------------|-----------------|------------------|------------------|------------------|----------------|-------|
| Description   | 2021/22          | Current Year 2022/23 |                  |                 |                  |                  |                  |                |       |
|   | Audited Outcome  | Original Budget      | Adjusted Budget  | Monthly actual  | YearTD actual    | YearTD budget    | YTD variance     | YTD variance % | Notes |
| <b>R thousands</b>  |                  |                      |                  |                 |                  |                  |                  |                |       |
| <b>Revenue By Source</b>  |                  |                      |                  |                 |                  |                  |                  |                |       |
| Property rates  |                  |                      |                  |                 |                  |                  |                  |                |       |
| Service charges - electricity revenue   | 2 886 778        | 3 494 847            | 3 494 847        | 197 930         | 1 517 809        | 1 747 423        | (229 614)        | -13.1%         | 1     |
| Interest earned - external investments  | 784              | 4 489                | 4 489            | 114             | 755              | 2 244            | (1 489)          | -66.3%         | 2     |
| Interest earned - outstanding debtors   | 24 515           | 29 846               | 29 846           | 2 836           | 7 814            | 14 923           | (7 109)          | -47.6%         | 3     |
| Fines, penalties and forfeits   | 4 218            | 4 918                | 4 918            | 157             | 1 830            | 2 459            | (629)            | -25.6%         | 4     |
| Other revenue   | 11 257           | 15 121               | 15 121           | 842             | 3 759            | 7 580            | (3 801)          | -50.3%         | 5     |
| Gains on disposal of PPE  | 7 078            | 9 665                | 9 665            |                 | 991              | 4 833            | (3 842)          | -79.5%         | 6     |
| <b>contributions)</b>   | <b>2 934 629</b> | <b>3 558 886</b>     | <b>3 558 886</b> | <b>201 878</b>  | <b>1 532 959</b> | <b>1 779 443</b> | <b>(246 484)</b> | <b>-13.9%</b>  |       |
| <b>Expenditure By Type</b>  |                  |                      |                  |                 |                  |                  |                  |                |       |
| Employee related costs  | 424 688          | 427 909              | 427 909          | 37 093          | 223 041          | 213 955          | 9 086            | 4.2%           | 7     |
| Remuneration of Directors   |                  | 785                  | 785              | 9               | 38               | 393              | (355)            | -90.3%         | 8     |
| Debt impairment (Non-Cash)  | 76 856           | 38 917               | 38 917           | 3 243           | 19 458           | 19 458           | 0                | 0.0%           |       |
| Depreciation & asset impairment (Non-Cash)  | 233 492          | 76 592               | 76 592           | 19 453          | 116 252          | 38 296           | 77 956           | 203.6%         | 9     |
| Finance charges (Non-Cash)  | 10 091           | 241                  | 241              | 20              | 120              | 120              | 0                | 0.0%           |       |
| Bulk purchases  | 2 038 346        | 2 145 935            | 2 145 935        | 148 013         | 1 164 679        | 1 072 968        | 91 712           | 8.5%           | 10    |
| Other materials (Inventory)   | 67 992           | 52 645               | 52 595           | 3 888           | 18 764           | 26 323           | (7 559)          | -28.7%         | 11    |
| Contracted services   | 109 618          | 204 102              | 204 087          | 14 547          | 54 348           | 102 051          | (47 703)         | -46.7%         | 12    |
| Transfers and subsidies (Dividends)   |                  | 120 000              | 120 000          |                 | 10 000           | 60 000           | (50 000)         | -83.3%         | 13    |
| Other expenditure   | 192 806          | 100 784              | 100 849          | 10 500          | 54 238           | 50 392           | 3 846            | 7.6%           | 14    |
| Loss on disposal of PPE   | 15 094           |                      |                  |                 | 9                |                  | 9                |                |       |
| <b>Total Expenditure</b>  | <b>3 168 984</b> | <b>3 167 911</b>     | <b>3 167 911</b> | <b>236 767</b>  | <b>1 660 948</b> | <b>1 583 955</b> | <b>76 993</b>    | <b>4.9%</b>    |       |
| <b>Surplus/(Deficit)</b>  |                  |                      |                  |                 |                  |                  |                  |                |       |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)   | 24 753           | 20 000               | 20 000           |                 |                  | 10 000           | (10 000)         | -100.0%        |       |
| allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) | 20 089           | 14 300               | 14 300           |                 | 1 605            | 7 150            | (5 545)          | -77.6%         |       |
| Transfers and subsidies - capital (in-kind - all)   |                  |                      |                  |                 |                  |                  |                  |                |       |
| <b>Surplus/(Deficit) before taxation</b>  | <b>(189 513)</b> | <b>425 275</b>       | <b>425 275</b>   | <b>(34 889)</b> | <b>(126 385)</b> | <b>212 637</b>   | <b>(339 022)</b> | <b>-159.4%</b> |       |
| Taxation  |                  |                      |                  |                 |                  |                  |                  |                |       |
| <b>Surplus/(Deficit) for the year</b>   | <b>(189 513)</b> | <b>425 275</b>       | <b>425 275</b>   | <b>(34 889)</b> | <b>(126 385)</b> | <b>212 637</b>   | <b>(339 022)</b> |                |       |

The major revenue YTD variances against the budget are:

**1. Service charges- electricity revenue**

Unfavourable variance of R 229,614 million equivalent to (13.1%) of the year to date budget. The variance is due to electricity conservation by customers

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

Unfavourable variance of R 1,489 million equivalent to (66.3%) of the year to date budget. The amount received for interest on bank and investment was higher than the anticipated budget.

**3. Interest on Outstanding Debtors**

Unfavourable variance of R 7,109 million equivalent to (47.6%) of the year to date budget. The variance is due to reversals on estimates.

**4. Fines**

Unfavourable variance of R 629,000 equivalent to (25.6%) 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 | Mid-Year Actuals | Mid Year Variance (R) | Mid Year Variance % | YTD Actuals      | YTD Variance % |
|--|------------------|----------------------------|------------------|-----------------------|---------------------|------------------|----------------|
| FINES: ILLEGAL CONNECTIONS ELECTRICITY | 4 917 759        | 2 458 880                  | 1 830 228        | 628 652               | 26%                 | 1 830 228        | 63%            |
| <b>TOTAL FINES</b>                     | <b>4 917 759</b> | <b>2 458 880</b>           | <b>1 830 228</b> | <b>628 652</b>        | <b>26%</b>          | <b>1 830 228</b> | <b>63%</b>     |

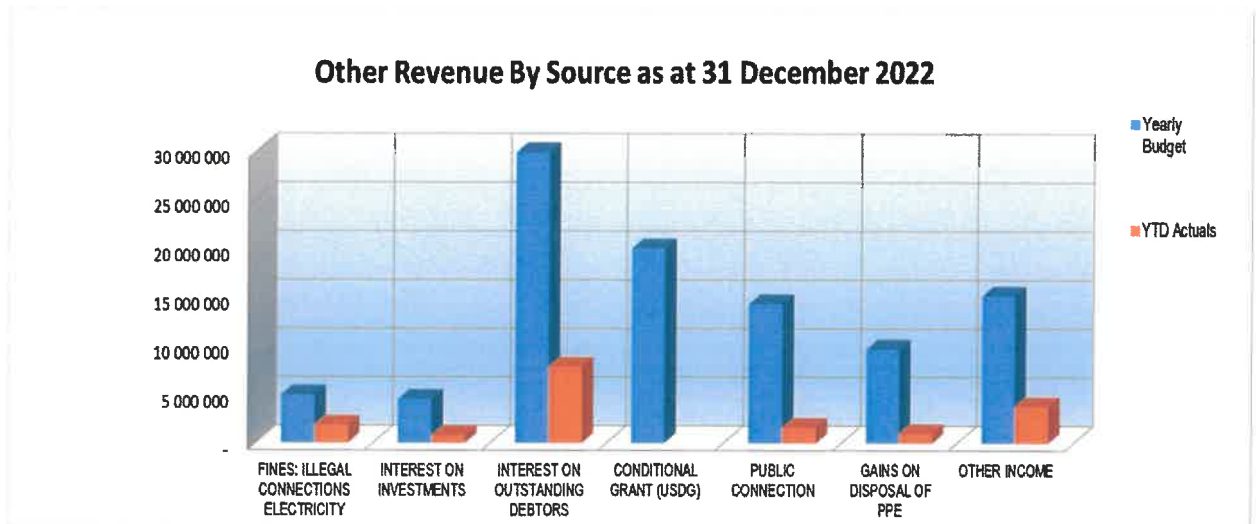


## 5. Other Revenue

5.1 The following table indicates **INCOME AND GRANTS** received for the mid-year ended 31 December 2022.

| 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 | 4 917 759         | 2 458 880                  | 1 830 228         | 628 652               | 26%                 | 1 830 228         | 63%            |
| INTEREST ON INVESTMENTS                | 4 488 994         | 2 244 497                  | 755 356           | 1 489 141             | 66%                 | 755 356           | 83%            |
| INTEREST ON OUTSTANDING DEBTORS        | 29 846 304        | 14 923 152                 | 7 814 316         | 7 108 836             | 48%                 | 7 814 316         | 74%            |
| CONDITIONAL GRANT (USDG)               | 20 000 000        | 10 000 000                 |                   | 10 000 000            | 100%                |                   | 100%           |
| PUBLIC CONNECTION                      | 14 300 000        | 7 150 000                  | 1 604 952         | 5 545 048             | 78%                 | 1 604 952         | 89%            |
| GAINS ON DISPOSAL OF PPE               | 9 665 415         | 4 832 708                  | 990 676           | 3 842 031             | 80%                 | 990 676           | 90%            |
| OTHER INCOME                           | 15 120 552        | 7 560 276                  | 3 759 157         | 3 801 119             | 50%                 | 3 759 157         | 75%            |
| <b>TOTAL OTHER REVENUE</b>             | <b>98 339 024</b> | <b>49 169 512</b>          | <b>16 754 684</b> | <b>32 414 828</b>     | <b>66%</b>          | <b>16 754 684</b> | <b>83%</b>     |

5.2 The following table indicates **OTHER INCOME** received for the mid-year ended 31 December 2022.



## 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 of R 9,086 million equivalent to (4.2%) of the year to date budget. The variance is due to increments on third parties and promotions.

**8. Remuneration of Directors**

Favourable variance (Savings) of R 355,000 equivalent to (90.3%) of the year to date budget.

**9. Depreciation & asset impairment**

Unfavourable variance of R 77,956 million equivalent to (203.6%) of the year to date budget. The variance is due to the budget cut made to non-cash items and the amount for actual depreciation captured/processed in the month under review.

**10. Bulk Purchases**

Unfavourable variance of R 91,712 million equivalent to (8.5%) of the year to date budget. The variance is mainly due to more kilowatts hours purchased.

**11. Other material (Inventory)**

Favourable variance (Savings) of R 7,559 million equivalent to (28.7%) of the year to date budget.

**12. Contracted Services**

Favourable variance (Savings) of R 47,703 million equivalent to (46.7%) of the year to date budget.

**13. Contribution to MMM**

Favourable variance (Savings) of R 50,000 million equivalent to (83.3%) of the year to date budget. The entity has not yet made cash contributions to the Parent Municipality for the period under review. This contribution will be set off against MMM's receivable at year end.



## 14. Other Expenditure

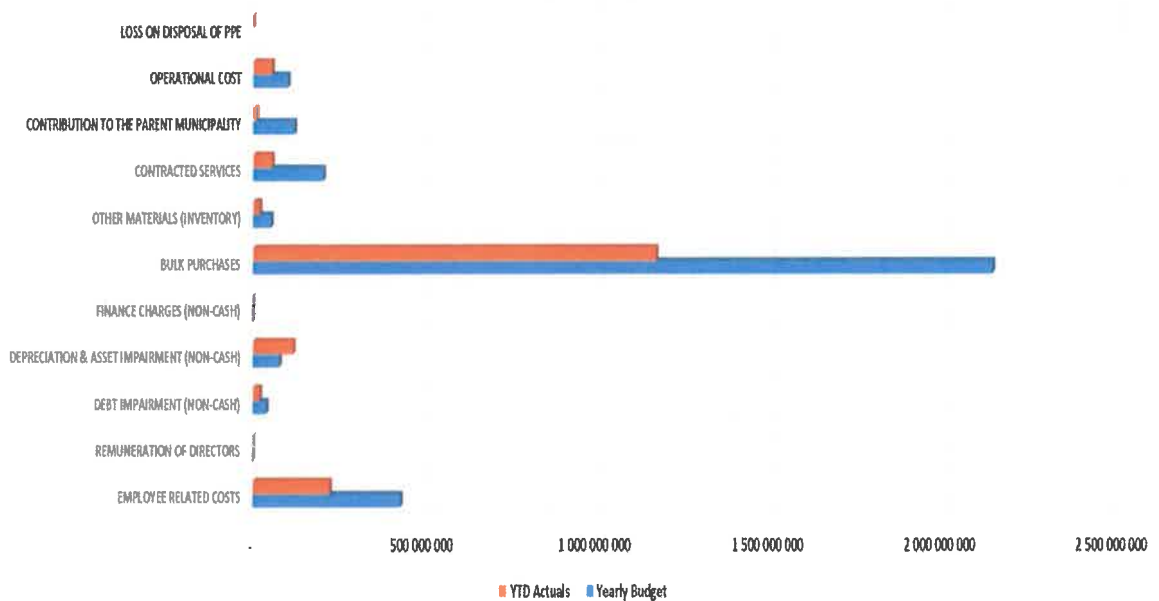
Unfavourable variance of R 3,846 million equivalent to (7.6%) of the year to date budget.

The table below indicates the Operating expenditure for the month ending 31 December 2022

| Detail                                     | Yearly Budget        | Mid Year Budget Allocation | Mid Year Actuals     | Mid Year Variance (R) | Mid Year Variance % | YTD Actuals          | YTD Variance % |
|--|----------------------|----------------------------|----------------------|-----------------------|---------------------|----------------------|----------------|
| EMPLOYEE RELATED COSTS                     | 427 909 204          | 213 954 602                | 223 041 070          | -9 086 468            | -4%                 | 223 041 070          | 48%            |
| REMUNERATION OF DIRECTORS                  | 785 495              | 392 748                    | 38 220               | 354 528               | 90%                 | 38 220               | 95%            |
| DEBT IMPAIRMENT (NON-CASH)                 | 38 916 988           | 19 458 494                 | 19 458 494           | 0                     | 0%                  | 19 458 494           | 50%            |
| DEPRECIATION & ASSET IMPAIRMENT (NON-CASH) | 76 591 921           | 38 295 961                 | 116 251 660          | -77 955 700           | -204%               | 116 251 660          | -52%           |
| FINANCE CHARGES (NON-CASH)                 | 240 806              | 120 403                    | 120 403              | -0                    | 0%                  | 120 403              | 50%            |
| BULK PURCHASES                             | 2 145 935 055        | 1 072 967 528              | 1 164 679 459        | -91 711 932           | -9%                 | 1 164 679 459        | 46%            |
| OTHER MATERIALS (INVENTORY)                | 52 645 327           | 26 322 664                 | 18 763 706           | 7 558 957             | 29%                 | 18 763 706           | 64%            |
| CONTRACTED SERVICES                        | 204 101 817          | 102 050 909                | 54 348 254           | 47 702 654            | 47%                 | 54 348 254           | 73%            |
| CONTRIBUTION TO THE PARENT MUNICIPALITY    | 120 000 000          | 60 000 000                 | 10 000 000           | 50 000 000            | 83%                 | 10 000 000           | 92%            |
| OPERATIONAL COST                           | 100 784 285          | 50 392 143                 | 54 238 058           | -3 845 915            | -8%                 | 54 238 058           | 46%            |
| LOSS ON DISPOSAL OF PPE                    |                      |                            | 8 978                | -8 978                | 0%                  | 8 978                | 0%             |
| <b>TOTAL OPERATING EXPENDITURE</b>         | <b>3 167 910 898</b> | <b>1 583 955 449</b>       | <b>1 660 948 303</b> | <b>-76 992 854</b>    | <b>-5%</b>          | <b>1 660 948 303</b> | <b>48%</b>     |

14.1 The following table indicates the Operating Expenditure for the mid-year ended 31 December 2022.

OPERATING EXPENDITURE BY TYPE AS AT 31 DECEMBER 2022



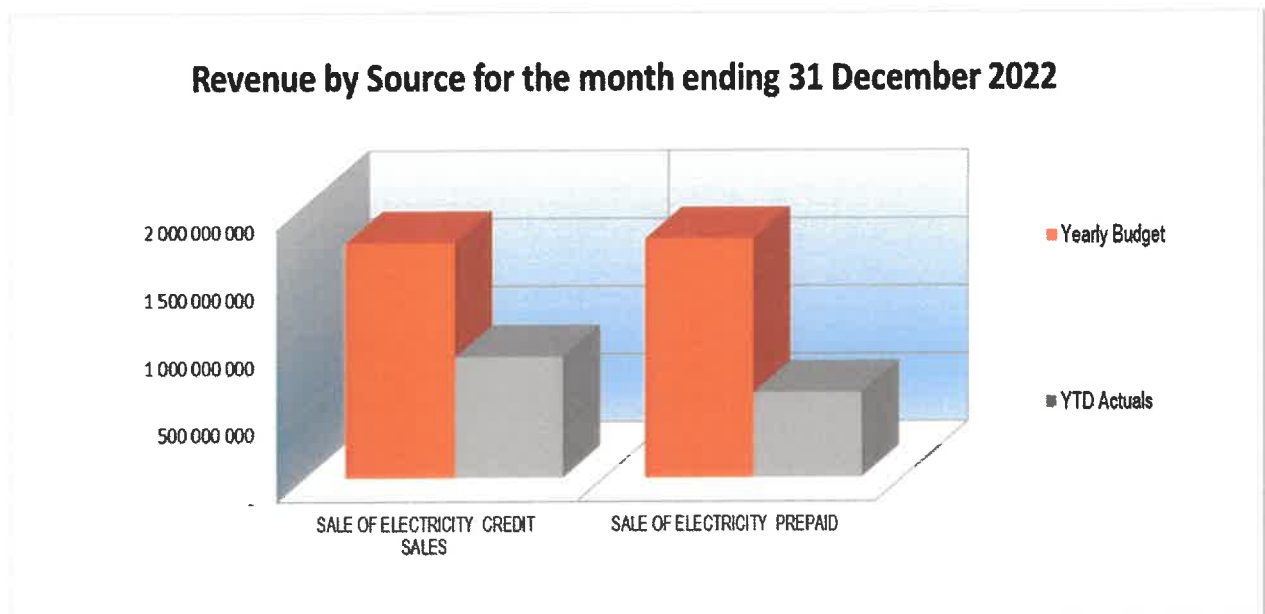
### 1.3.1 REVENUE AND EXPENDITURE

#### 1.3.1.1 Revenue by Source for the mid-year ended 31 December 2022

An amount of R 1,517 billion was billed for the year to date compared to the annual budget of R 3,494 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 | 1 732 978 274        | 866 489 137                | 892 580 417               | -26 091 280           | -3.0%               | 892 580 417          | 48%            |
| SALE OF ELECTRICITY: PREPAID      | 1 761 868 668        | 880 934 334                | 625 228 363               | 255 705 971           | 29.0%               | 625 228 363          | 65%            |
| <b>TOTAL INCOME</b>               | <b>3 494 846 942</b> | <b>1 747 423 471</b>       | <b>1 517 808 779</b>      | <b>229 614 692</b>    | <b>13.1%</b>        | <b>1 517 808 779</b> | <b>57%</b>     |

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

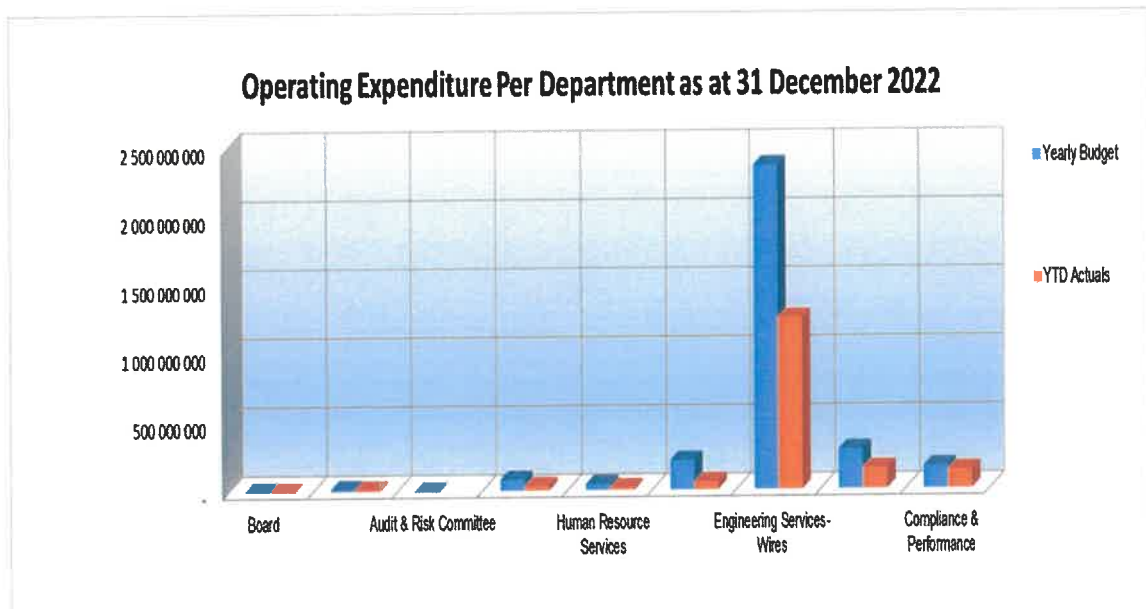


### 1.3.1.2 Expenditure per Department for the mid-year ended 31 December 2022

Refer to the expenditure per Department table below:

| Detail                             | Yearly Budget        | Mid Year Budget Allocation | Mid Year Budget Actuals | Mid Year Variance (R) | Mid Year Variance % | YTD Actuals          | YTD Variance % |
|------------------------------------|----------------------|----------------------------|-------------------------|-----------------------|---------------------|----------------------|----------------|
| BOARD                              | 1 216 050            | 608 025                    | 180 386                 | 427 639               | 70%                 | 180 386              | 85%            |
| COMPANY SECRETARY                  | 15 528 260           | 7 764 130                  | 12 126 298              | -4 362 168            | -56%                | 12 126 298           | 22%            |
| AUDIT & RISK COMMITTEE             | 218 500              | 109 250                    |                         | 109 250               | 100%                |                      | 100%           |
| CEO SERVICES                       | 80 098 181           | 40 049 091                 | 34 173 566              | 5 875 524             | 15%                 | 34 173 566           | 57%            |
| HUMAN RESOURCE SERVICES            | 43 923 837           | 21 961 919                 | 19 971 536              | 1 990 383             | 9%                  | 19 971 536           | 55%            |
| FINANCE                            | 215 032 035          | 107 516 018                | 58 577 137              | 48 938 881            | 46%                 | 58 577 137           | 73%            |
| ENGINEERING SERVICES-RETAIL        | 2 359 255 070        | 1 179 627 535              | 1 248 723 676           | -69 096 141           | -6%                 | 1 248 723 676        | 47%            |
| ENGINEERING SERVICES-WIRES         | 288 555 596          | 144 277 798                | 149 668 798             | -5 391 000            | -4%                 | 149 668 798          | 48%            |
| COMPLIANCE & PERFORMANCE           | 164 083 369          | 82 041 685                 | 137 517 928             | -55 476 243           | -68%                | 137 517 928          | 16%            |
| <b>TOTAL OPERATING EXPENDITURE</b> | <b>3 167 910 898</b> | <b>1 583 955 449</b>       | <b>1 660 939 326</b>    | <b>-76 983 877</b>    | <b>-5%</b>          | <b>1 763 005 097</b> | <b>44%</b>     |

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



### 1.3.2 CASH FLOW FOR THE MID-YEAR ENDED 31 DECEMBER 2022 (Table F5)

| Centlec (SOC) Ltd - Table F5 Monthly Budget Statement - Cash Flows - M06 December |                  |                      |                 |                  |                  |                 |                |                    |
|---|------------------|----------------------|-----------------|------------------|------------------|-----------------|----------------|--------------------|
| Description   | 2020/21          | Current Year 2021/22 |                 |                  |                  |                 |                |                    |
|   | Audited Outcome  | Original Budget      | Monthly actual  | 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   | 2 668 052        | 3 160 269            | 237 487         | 1 844 780        | 1 580 135        | 264 646         | 16.7%          | 3 160 269          |
| Other revenue   | 13 982           | 18 950               | 143             | 899              | 9 475            | (8 576)         | -90.5%         | 18 950             |
| Government - operating  |                  |                      |                 |                  |                  |                 |                |                    |
| Government - capital  | 69 433           | 60 300               |                 |                  | 30 150           | (30 150)        | -100.0%        | 60 300             |
| Interest (Bank & Investments)   | 17 086           | 25 412               | 570             | 8 018            | 12 706           | (4 687)         | -36.9%         | 25 412             |
| Dividends   |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Payments</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Suppliers and employees   | (2 432 471)      | (2 739 032)          | (244 094)       | (1 720 566)      | (1 369 516)      | (351 050)       | 25.6%          | (2 739 032)        |
| Finance charges   | (57)             | (217)                | (710)           | (3 542)          | (108)            | (3 434)         | 3168.9%        | (217)              |
| Dividends paid  | (120 000)        | (120 000)            |                 | (10 000)         | (60 000)         | 50 000          | -83.3%         | (120 000)          |
| Transfers and Grants  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>                                  | <b>216 025</b>   | <b>405 682</b>       | <b>(6 603)</b>  | <b>119 590</b>   | <b>202 841</b>   | <b>(83 252)</b> | <b>-41.0%</b>  | <b>405 682</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Receipts</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Proceeds on disposal of PPE   |                  | 329                  |                 |                  | 164              | (164)           | -100.0%        | 329                |
| Decrease (increase) in non-current debtors  |                  |                      |                 |                  |                  |                 |                |                    |
| Decrease (increase) other non-current receivables                                 |                  |                      |                 |                  |                  |                 |                |                    |
| Decrease (increase) in non-current investments                                    |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Payments</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Capital assets  | (164 633)        | (295 007)            | (19 882)        | (122 923)        | (147 503)        | 24 580          | -16.7%         | (295 007)          |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>                                  | <b>(164 633)</b> | <b>(294 678)</b>     | <b>(19 882)</b> | <b>(122 923)</b> | <b>(147 339)</b> | <b>24 416</b>   | <b>-16.6%</b>  | <b>(294 678)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Receipts</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Short term loans  |                  |                      |                 |                  |                  |                 |                |                    |
| Borrowing long term/refinancing   |                  |                      |                 |                  |                  |                 |                |                    |
| Increase (decrease) in consumer deposits  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Payments</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Repayment of borrowing (MMM)  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>                                  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>                                      | <b>51 391</b>    | <b>111 005</b>       | <b>(26 485)</b> | <b>(3 334)</b>   | <b>55 502</b>    | <b>(58 836)</b> | <b>-106.0%</b> | <b>111 005</b>     |
| Cash/cash equivalents at the year begin:  |                  | 88 751               | 29 278          | (145 800)        |                  | (145 800)       |                |                    |
| Cash/cash equivalents at the year end:  | 51 391           | 199 756              | 2 792           | (149 134)        | 55 502           | (204 636)       | -368.7%        | 111 005            |



## **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 1,844 billion compared to the year to date budget of R 1,580 billion which results in a favourable variance of R 264,646 million which is equivalent to (16.7%). An amount of 264,646 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 1,720 billion compared to the year to date budget allocation of R 1,369 billion, which result to an unfavourable variance of R 351,050 million which is equivalent to (25.6%).

#### **1.3.2.3 Capital Payments**

Capital payments reflect a year to date actual of R 122,923 million compared to the yearly budget of R 147,503 million. This results to a variance of R 24,580 million which is equivalent to (16.7%).

### **1.3.3 FINANCIAL IMPLICATIONS**

The Mid-Year report for the period ending 31 December 2022 indicates various financial risks which require monitoring:

- Irrecoverable debtors >120 days equals to 81% 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 2022 indicates a deficit of R 126,385 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 2022 represents only 24% (R 64,504) million when compared to the year to date budget allocation of R 265,225 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 and prioritize expenditure on core functions 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 2022/23 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 2022/23 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  | 2021/22           | Current Year 2022/23 |                    |                    |                     |                  |              |                    |
|  | 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  | 2 886 778         | 3 494 847            | 197 930            | 1 517 809          | 1 747 423           | (230)            | -13%         | 3 494 847          |
| Investment revenue   | 784               | 4 489                | 114                | 755                | 2 244               | (1 489)          | -66%         | 4 489              |
| Other own revenue  | 47 067            | 59 550               | 3 834              | 14 394             | 29 775              | (15 381)         | -52%         | 59 550             |
| <b>and contributions)</b>  | <b>2 934 629</b>  | <b>3 558 886</b>     | <b>201 878</b>     | <b>1 532 959</b>   | <b>1 779 443</b>    | <b>(246 484)</b> | <b>-14%</b>  | <b>3 558 886</b>   |
| Employee costs   | 424 688           | 427 909              | 37 093             | 223 041            | 213 955             | 9 086            | 4%           | 428 695            |
| Remuneration of Board Members  |                   | 785                  | 9                  | 38                 | 393                 | (355)            | -90%         |                    |
| Depreciation and asset impairment  | 233 492           | 76 592               | 19 453             | 116 252            | 38 296              | 77 956           | 204%         | 76 592             |
| Finance charges  | 10 091            | 241                  | 20                 | 120                | 120                 | 0                | 0%           | 120 241            |
| Materials and bulk purchases   | 2 106 339         | 2 198 580            | 151 901            | 1 183 443          | 1 099 290           | 84 153           | 8%           | 2 198 530          |
| Transfers and grants   |                   | 120 000              |                    | 10 000             | 60 000              | (50 000)         | -83%         |                    |
| Other expenditure  | 394 374           | 343 803              | 28 291             | 128 054            | 171 902             | (43 848)         | -26%         | 343 853            |
| <b>Total Expenditure</b>   | <b>3 168 984</b>  | <b>3 167 911</b>     | <b>236 767</b>     | <b>1 660 948</b>   | <b>1 583 955</b>    | <b>76 993</b>    | <b>5%</b>    | <b>3 167 911</b>   |
| <b>Surplus/(Deficit)</b>   | <b>(234 355)</b>  | <b>390 975</b>       | <b>(34 889)</b>    | <b>(127 990)</b>   | <b>195 487</b>      | <b>(323 477)</b> | <b>-165%</b> | <b>390 975</b>     |
| Transfers recognised - capital   | 24 753            | 20 000               |                    |                    | 10 000              | (10 000)         | -100%        | 20 000             |
| Contributions & Contributed assets   | 20 089            | 14 300               |                    | 1 605              | 7 150               | (5 545)          | -78%         | 14 300             |
| <b>contributions</b>   | <b>(189 513)</b>  | <b>425 275</b>       | <b>(34 889)</b>    | <b>(126 385)</b>   | <b>212 637</b>      | <b>(339 022)</b> | <b>-159%</b> | <b>425 275</b>     |
| Taxation   |                   |                      |                    |                    |                     |                  |              |                    |
| <b>Surplus/ (Deficit) for the year</b>                                       | <b>(189 513)</b>  | <b>425 275</b>       | <b>(34 889)</b>    | <b>(126 385)</b>   | <b>212 637</b>      | <b>(339 022)</b> | <b>-159%</b> | <b>425 275</b>     |
| <b>Capital expenditure &amp; funds sources</b>                               |                   |                      |                    |                    |                     |                  |              |                    |
| <b>Capital expenditure</b>   | 156 011           | 265 225              | 7 912              | 64 504             | 132 613             | (68 109)         | -51%         | 265 225            |
| Transfers recognised - capital   | 35 566            | 34 300               | 944                | 8 455              | 17 150              | (8 695)          | -51%         | 34 300             |
| Internally generated funds   | 120 444           | 230 925              | 6 968              | 56 049             | 115 463             | (59 414)         | -51%         | 230 925            |
| <b>Total sources of capital funds</b>  | 156 011           | 265 225              | 7 912              | 64 504             | 132 613             | (68 109)         | -51%         | 265 225            |
| <b>Financial position</b>  |                   |                      |                    |                    |                     |                  |              |                    |
| Total current assets   | 4 102 867         | 722 065              |                    | 4 035 126          |                     |                  |              | 722 065            |
| Total non current assets   | 7 673 973         | 7 728 789            |                    | 7 619 002          |                     |                  |              | 7 728 789          |
| Total current liabilities  | 6 197 226         | 872 965              |                    | 6 233 993          |                     |                  |              | 872 965            |
| Total non current liabilities  | 1 389 247         | 1 564 910            |                    | 1 389 363          |                     |                  |              | 1 564 910          |
| Community wealth/Equity  | <b>4 190 368</b>  | <b>6 012 979</b>     |                    | <b>4 030 772</b>   |                     |                  |              | <b>6 012 979</b>   |
| <b>Cash flows</b>  |                   |                      |                    |                    |                     |                  |              |                    |
| Net cash from (used) operating   | 216 025           | 405 682              | (19 898)           | 106 295            | 202 841             | (96 546)         | -48%         | 405 682            |
| Net cash from (used) investing   | (164 633)         | (294 678)            | (19 882)           | (122 923)          | (147 339)           | 24 416           | -17%         | (294 678)          |
| Net cash from (used) financing   |                   |                      |                    |                    |                     |                  |              |                    |
| <b>Cash/cash equivalents at the year end</b>                                 | <b>51 391</b>     | <b>199 756</b>       | <b>(10 502)</b>    | <b>(162 428)</b>   | <b>55 502</b>       | <b>(217 931)</b> | <b>-393%</b> | <b>111 005</b>     |
| <b>Debtors &amp; creditors analysis</b>                                      |                   |                      |                    |                    |                     |                  |              |                    |
|  | <b>31-60 Days</b> | <b>61-90 Days</b>    | <b>121-150 Dys</b> | <b>151-180 Dys</b> | <b>181 Dys-1 Yr</b> | <b>Over 1Yr</b>  | <b>Total</b> | <b>Total</b>       |
| <b>Debtors Age Analysis</b>  |                   |                      |                    |                    |                     |                  |              |                    |
| Total By Income Source   | 142 126           | 22 475               | 23 561             | 20 339             | 11 773              | 185 759          | 580 126      | 1 015 875          |
| <b>Creditors Age Analysis</b>  |                   |                      |                    |                    |                     |                  |              |                    |
| Total Creditors  | 206 668           | 146 850              | 3 719              |                    |                     |                  |              | 357 780            |

## F2: Financial Performance (Revenue & Expenditure)

| Centlec (SOC) Ltd - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December   |                  |                      |                  |                 |                  |                  |                  |                |                    |
|--|------------------|----------------------|------------------|-----------------|------------------|------------------|------------------|----------------|--------------------|
| Description  | 2021/22          | Current Year 2022/23 |                  |                 |                  |                  |                  |                |                    |
|  | Audited Outcome  | Original Budget      | Adjusted Budget  | Monthly actual  | 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  | 2 886 778        | 3 494 847            | 3 494 847        | 197 930         | 1 517 809        | 1 747 423        | (229 614)        | -13.1%         | 3 494 847          |
| Interest earned - external investments   | 784              | 4 489                | 4 489            | 114             | 755              | 2 244            | (1 489)          | -66.3%         | 4 489              |
| Interest earned - outstanding debtors  | 24 515           | 29 846               | 29 846           | 2 836           | 7 814            | 14 923           | (7 109)          | -47.6%         | 29 846             |
| Fines, penalties and forfeits  | 4 218            | 4 918                | 4 918            | 157             | 1 830            | 2 459            | (629)            | -25.6%         | 4 918              |
| Other revenue  | 11 257           | 15 121               | 15 121           | 842             | 3 759            | 7 560            | (3 801)          | -50.3%         | 15 121             |
| Gains on disposal of PPE   | 7 078            | 9 665                | 9 665            |                 | 991              | 4 833            | (3 842)          | -79.5%         | 9 665              |
| <b>contributions)</b>  | <b>2 934 629</b> | <b>3 558 886</b>     | <b>3 558 886</b> | <b>201 878</b>  | <b>1 532 959</b> | <b>1 779 443</b> | <b>(246 484)</b> | <b>-13.9%</b>  | <b>3 558 886</b>   |
| <b>Expenditure By Type</b>   |                  |                      |                  |                 |                  |                  |                  |                |                    |
| Employee related costs   | 424 688          | 427 909              | 427 909          | 37 093          | 223 041          | 213 955          | 9 086            | 4.2%           | 428 695            |
| Remuneration of Directors  |                  | 785                  | 785              | 9               | 38               | 393              | (355)            | -90.3%         |                    |
| Debt impairment (Non-Cash)   | 76 856           | 38 917               | 38 917           | 3 243           | 19 458           | 19 458           | 0                | 0.0%           | 38 917             |
| Depreciation & asset impairment (Non-Cash)   | 233 492          | 76 592               | 76 592           | 19 453          | 116 252          | 38 296           | 77 956           | 203.6%         | 76 592             |
| Finance charges (Non-Cash)   | 10 091           | 241                  | 241              | 20              | 120              | 120              | 0                | 0.0%           | 120 241            |
| Bulk purchases   | 2 038 346        | 2 145 935            | 2 145 935        | 148 013         | 1 164 679        | 1 072 968        | 91 712           | 8.5%           | 2 145 935          |
| Other materials (Inventory)  | 67 992           | 52 645               | 52 595           | 3 888           | 18 764           | 26 323           | (7 559)          | -26.7%         | 52 595             |
| Contracted services  | 109 618          | 204 102              | 204 087          | 14 547          | 54 348           | 102 051          | (47 703)         | -46.7%         | 204 087            |
| Transfers and subsidies (Dividends)  |                  | 120 000              | 120 000          |                 | 10 000           | 60 000           | (50 000)         | -83.3%         |                    |
| Other expenditure  | 192 806          | 100 784              | 100 849          | 10 500          | 54 238           | 50 392           | 3 846            | 7.6%           | 100 849            |
| Loss on disposal of PPE  | 15 094           |                      |                  |                 | 9                |                  | 9                |                |                    |
| <b>Total Expenditure</b>   | <b>3 168 984</b> | <b>3 167 911</b>     | <b>3 167 911</b> | <b>236 767</b>  | <b>1 660 948</b> | <b>1 583 955</b> | <b>76 993</b>    | <b>4.9%</b>    | <b>3 167 911</b>   |
| <b>Surplus/(Deficit)</b>   |                  |                      |                  |                 |                  |                  |                  |                |                    |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  | (234 355)        | 390 975              | 390 975          | (34 889)        | (127 990)        | 195 487          | (323 477)        | -165.5%        | 390 975            |
| allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 24 753           | 20 000               | 20 000           |                 |                  | 10 000           | (10 000)         | -100.0%        | 20 000             |
| Transfers and subsidies - capital (in-kind - all)  | 20 089           | 14 300               | 14 300           |                 | 1 605            | 7 150            | (5 545)          | -77.6%         | 14 300             |
| <b>Surplus/(Deficit) before taxation</b>   | <b>(189 513)</b> | <b>425 275</b>       | <b>425 275</b>   | <b>(34 889)</b> | <b>(126 385)</b> | <b>212 637</b>   | <b>(339 022)</b> | <b>-159.4%</b> | <b>425 275</b>     |
| Taxation   |                  |                      |                  |                 |                  |                  |                  |                |                    |
| <b>Surplus/(Deficit) for the year</b>  | <b>(189 513)</b> | <b>425 275</b>       | <b>425 275</b>   | <b>(34 889)</b> | <b>(126 385)</b> | <b>212 637</b>   | <b>(339 022)</b> |                | <b>425 275</b>     |

### F3: Capital Expenditure

| Centlec (SOC) Ltd - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December |                 |                      |                |               |                |               |                |                    |
|--|-----------------|----------------------|----------------|---------------|----------------|---------------|----------------|--------------------|
| Description  | 2021/22         | Current Year 2022/23 |                |               |                | YTD variance  | YTD variance % | Full Year Forecast |
|  | Audited Outcome | Original Budget      | Monthly actual | YearTD actual | YearTD budget  |               |                |                    |
| <b>R thousands</b>   |                 |                      |                |               |                |               |                |                    |
| <b>Capital expenditure by Asset Class/Sub-class</b>  |                 |                      |                |               |                |               |                |                    |
| <b>Infrastructure</b>  | <b>97 357</b>   | <b>175 501</b>       | <b>5 325</b>   | <b>48 805</b> | <b>87 751</b>  | <b>38 946</b> | <b>44.4%</b>   | <b>175 501</b>     |
| Roads Infrastructure   |                 |                      |                |               |                |               |                |                    |
| Electrical Infrastructure  | 97 357          | 175 501              | 5 325          | 48 805        | 87 751         | 38 946        | 44.4%          | 175 501            |
| Power Plants   |                 |                      |                |               |                |               |                |                    |
| HV Substations   | 38              | 9 500                |                | 338           | 4 950          | 4 612         | 93.2%          | 10 000             |
| MV Substations   |                 |                      |                |               |                |               |                |                    |
| MV Networks  | 27 576          | 31 090               | 1 916          | 11 081        | 15 345         | 4 264         | 27.8%          | 30 590             |
| LV Networks  | 69 744          | 125 912              | 3 410          | 37 386        | 62 956         | 25 570        | 40.6%          | 125 912            |
| Capital Spares   |                 |                      |                |               |                |               |                |                    |
| <b>Community Assets</b>  | <b>14 703</b>   | <b>51 404</b>        |                | <b>981</b>    | <b>23 930</b>  | <b>22 949</b> | <b>95.9%</b>   | <b>39 002</b>      |
| Community Facilities   | 14 640          | 50 830               |                | 981           | 23 643         | 22 662        | 95.9%          | 38 427             |
| Halls  |                 |                      |                |               |                |               |                |                    |
| Centres  | 14 640          | 50 830               |                | 981           | 23 643         | 22 662        | 95.9%          | 38 427             |
| Crèches  |                 |                      |                |               |                |               |                |                    |
| Sport and Recreation Facilities  | 63              | 574                  |                |               | 287            | 287           | 100.0%         | 574                |
| Indoor Facilities  |                 |                      |                |               |                |               |                |                    |
| Outdoor Facilities   | 63              | 574                  |                |               | 287            | 287           | 100.0%         | 574                |
| Training Centres   |                 |                      |                |               |                |               |                |                    |
| <b>Computer Equipment</b>  | <b>17 764</b>   | <b>8 120</b>         |                | <b>2 062</b>  | <b>4 060</b>   | <b>1 998</b>  | <b>49.2%</b>   | <b>8 120</b>       |
| Computer Equipment   | 17 764          | 8 120                |                | 2 062         | 4 060          | 1 998         | 49.2%          | 8 120              |
| <b>Furniture and Office Equipment</b>  | <b>219</b>      | <b>7 250</b>         |                | <b>24</b>     | <b>3 625</b>   | <b>3 601</b>  | <b>99.3%</b>   | <b>7 250</b>       |
| Furniture and Office Equipment   | 219             | 7 250                |                | 24            | 3 625          | 3 601         | 99.3%          | 7 250              |
| <b>Total Capital Expenditure</b>   | <b>156 011</b>  | <b>265 225</b>       | <b>7 912</b>   | <b>64 504</b> | <b>132 613</b> | <b>68 109</b> | <b>51%</b>     | <b>265 225</b>     |
| <b>Funded by:</b>  |                 |                      |                |               |                |               |                |                    |
| National Government  | 25 211          | 20 000               |                | 3 624         | 10 000         | 6 376         | 63.8%          | 20 000             |
| Provincial Government  |                 |                      |                |               |                |               |                |                    |
| Parent Municipality  | 10 355          | 14 300               | 944            | 4 830         | 7 150          | 2 320         | 32.4%          | 14 300             |
| District Municipality  |                 |                      |                |               |                |               |                |                    |
| <b>Transfers recognised - capital</b>  | <b>35 566</b>   | <b>34 300</b>        | <b>944</b>     | <b>8 455</b>  | <b>17 150</b>  | <b>8 695</b>  | <b>51%</b>     | <b>34 300</b>      |
| <b>Public contributions &amp; donations</b>  |                 |                      |                |               |                |               |                |                    |
| <b>Borrowing</b>   |                 |                      |                |               |                |               |                |                    |
| <b>Internally generated funds</b>  | <b>120 444</b>  | <b>230 925</b>       | <b>6 968</b>   | <b>56 049</b> | <b>115 463</b> | <b>59 414</b> | <b>51.5%</b>   | <b>230 925</b>     |
| <b>Total Capital Funding</b>   | <b>156 011</b>  | <b>265 225</b>       | <b>7 912</b>   | <b>64 504</b> | <b>132 613</b> | <b>68 109</b> | <b>51%</b>     | <b>265 225</b>     |

#### F4: Financial Position

| <b>Centlec - Table F4 Monthly Budget Statement - Financial Position - M06 December</b> |                   |                      |                   |                    |
|--|-------------------|----------------------|-------------------|--------------------|
| Vote Description   | 2021/22           | Current Year 2022/23 |                   |                    |
|  | Audited Outcome   | Original Budget      | YearTD actual     | Full Year Forecast |
| <b>R thousands</b>   |                   |                      |                   |                    |
| <b>ASSETS</b>  |                   |                      |                   |                    |
| <b>Current assets</b>  |                   |                      |                   |                    |
| Cash   | 11 483            | 36 900               | (169 938)         | 36 900             |
| Call investment deposits   | 773               | 777                  | 56                | 777                |
| Consumer debtors   | 536 996           | 601 127              | 526 750           | 601 127            |
| Other debtors  | 3 468 218         |                      | 3 563 724         |                    |
| Current portion of long-term receivables   |                   |                      |                   |                    |
| Inventory  | 85 397            | 83 260               | 114 534           | 83 260             |
| <b>Total current assets</b>  | <b>4 102 867</b>  | <b>722 065</b>       | <b>4 035 126</b>  | <b>722 065</b>     |
| <b>Non current assets</b>  |                   |                      |                   |                    |
| Investment property  |                   |                      |                   |                    |
| Investment in Associate  | 573               |                      | 573               |                    |
| Property, plant and equipment  | 6 250 471         | 6 408 353            | 6 204 165         | 6 408 353          |
| Biological   |                   |                      |                   |                    |
| Intangible   | 80 151            | 92 826               | 74 397            | 92 826             |
| Other non-current assets   | 1 342 778         | 1 227 610            | 1 339 867         | 1 227 610          |
| <b>Total non current assets</b>  | <b>7 673 973</b>  | <b>7 728 789</b>     | <b>7 619 002</b>  | <b>7 728 789</b>   |
| <b>TOTAL ASSETS</b>  | <b>11 776 841</b> | <b>8 450 854</b>     | <b>11 654 128</b> | <b>8 450 854</b>   |
| <b>LIABILITIES</b>   |                   |                      |                   |                    |
| <b>Current liabilities</b>   |                   |                      |                   |                    |
| Bank overdraft   |                   |                      |                   |                    |
| Borrowing  |                   | 26 464               |                   | 26 464             |
| Consumer deposits  | 129 279           | 124 918              | 129 768           | 124 918            |
| Trade and other payables   | 6 023 871         | 683 548              | 6 060 148         | 683 548            |
| Provisions   | 44 076            | 38 035               | 44 076            | 38 035             |
| <b>Total current liabilities</b>   | <b>6 197 226</b>  | <b>872 965</b>       | <b>6 233 993</b>  | <b>872 965</b>     |
| <b>Non current liabilities</b>   |                   |                      |                   |                    |
| Borrowing  | 3 499             |                      | 3 620             |                    |
| Provisions   | 1 385 748         | 1 564 910            | 1 385 743         | 1 564 910          |
| <b>Total non current liabilities</b>   | <b>1 389 247</b>  | <b>1 564 910</b>     | <b>1 389 363</b>  | <b>1 564 910</b>   |
| <b>TOTAL LIABILITIES</b>   | <b>7 586 473</b>  | <b>2 437 875</b>     | <b>7 623 356</b>  | <b>2 437 875</b>   |
| <b>NET ASSETS</b>  | <b>4 190 368</b>  | <b>6 012 979</b>     | <b>4 030 772</b>  | <b>6 012 979</b>   |
| <b>COMMUNITY WEALTH/EQUITY</b>   |                   |                      |                   |                    |
| Accumulated Surplus/(Deficit)  | 96 960            | 1 862 577            | (62 635)          | 1 862 577          |
| Reserves   | 4 093 407         | 4 150 402            | 4 093 407         | 4 150 402          |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>   | <b>4 190 368</b>  | <b>6 012 979</b>     | <b>4 030 772</b>  | <b>6 012 979</b>   |

## F5: Cash Flows

| Centlec (SOC) Ltd - Table F5 Monthly Budget Statement - Cash Flows - M06 December |                  |                      |                 |                  |                  |                 |                |                    |
|---|------------------|----------------------|-----------------|------------------|------------------|-----------------|----------------|--------------------|
| Description   | 2020/21          | Current Year 2021/22 |                 |                  |                  |                 |                |                    |
|   | Audited Outcome  | Original Budget      | Monthly actual  | YearTD actual    | YearTD budget    | YTD variance    | YTD variance % | Full Year Forecast |
| R thousands   |                  |                      |                 |                  |                  |                 |                |                    |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Receipts</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Property rates  |                  |                      |                 |                  |                  |                 |                |                    |
| Service charges   | 2 668 052        | 3 160 269            | 237 487         | 1 844 780        | 1 580 135        | 264 646         | 16.7%          | 3 160 269          |
| Other revenue   | 13 982           | 18 950               | 143             | 899              | 9 475            | (8 576)         | -90.5%         | 18 950             |
| Government - operating  |                  |                      |                 |                  |                  |                 |                |                    |
| Government - capital  | 69 433           | 60 300               |                 |                  | 30 150           | (30 150)        | -100.0%        | 60 300             |
| Interest (Bank & Investments)   | 17 086           | 25 412               | 570             | 8 018            | 12 706           | (4 687)         | -36.9%         | 25 412             |
| Dividends   |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Payments</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Suppliers and employees   | (2 432 471)      | (2 739 032)          | (244 094)       | (1 720 566)      | (1 369 516)      | (351 050)       | 25.6%          | (2 739 032)        |
| Finance charges   | (57)             | (217)                | (710)           | (3 542)          | (108)            | (3 434)         | 3168.9%        | (217)              |
| Dividends paid  | (120 000)        | (120 000)            |                 | (10 000)         | (60 000)         | 50 000          | -83.3%         | (120 000)          |
| Transfers and Grants  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>                                  | <b>216 025</b>   | <b>405 682</b>       | <b>(6 603)</b>  | <b>119 590</b>   | <b>202 841</b>   | <b>(83 252)</b> | <b>-41.0%</b>  | <b>405 682</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Receipts</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Proceeds on disposal of PPE   |                  | 329                  |                 |                  | 164              | (164)           | -100.0%        | 329                |
| Decrease (Increase) in non-current debtors  |                  |                      |                 |                  |                  |                 |                |                    |
| Decrease (increase) other non-current receivables                                 |                  |                      |                 |                  |                  |                 |                |                    |
| Decrease (increase) in non-current investments                                    |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Payments</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Capital assets  | (164 633)        | (295 007)            | (19 882)        | (122 923)        | (147 503)        | 24 580          | -16.7%         | (295 007)          |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>                                  | <b>(164 633)</b> | <b>(294 678)</b>     | <b>(19 882)</b> | <b>(122 923)</b> | <b>(147 339)</b> | <b>24 416</b>   | <b>-16.6%</b>  | <b>(294 678)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Receipts</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Short term loans  |                  |                      |                 |                  |                  |                 |                |                    |
| Borrowing long term/refinancing   |                  |                      |                 |                  |                  |                 |                |                    |
| Increase (decrease) in consumer deposits  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>Payments</b>   |                  |                      |                 |                  |                  |                 |                |                    |
| Repayment of borrowing (MMM)  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>                                  |                  |                      |                 |                  |                  |                 |                |                    |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>                                      | <b>51 391</b>    | <b>111 005</b>       | <b>(26 485)</b> | <b>(3 334)</b>   | <b>55 502</b>    | <b>(58 836)</b> | <b>-106.0%</b> | <b>111 005</b>     |
| Cash/cash equivalents at the year begin:  |                  | 88 751               | 29 278          | (145 800)        |                  | (145 800)       |                |                    |
| Cash/cash equivalents at the year end:  | 51 391           | 199 756              | 2 792           | (149 134)        | 55 502           | (204 636)       | -368.7%        | 111 005            |



## 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 2022 is R 1,015 billion.

#### Centlec (Soc) Ltd- Debtors Age Analysis by Revenue Source as at 31 December 2022:

| Centlec (SOC) Ltd - Supporting Table F3 Entity Aged debtors - M06 December |             |                      |                   |                   |                   |                   |                   |                    |                    |                      |                    |
|--|-------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|----------------------|--------------------|
| Detail   |             | Current Year 2022/23 |                   |                   |                   |                   |                   |                    |                    |                      |                    |
| 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                | Total over 90 days |
| Debtors Age Receivables from Exchange                                      | 1200        | 142 126 129          | 22 474 591        | 29 716 379        | 23 560 613        | 20 339 409        | 11 772 730        | 185 758 948        | 580 125 934        | 1 015 874 733        | 821 557 634        |
| <b>Total By Income</b>   | <b>2000</b> |                      |                   |                   |                   |                   |                   |                    |                    |                      |                    |
| Debtors Age Analysis By Customer Group                                     | 2100        |                      |                   |                   |                   |                   |                   |                    |                    |                      |                    |
| Organs of State  | 2200        | 25 329 089           | 15 244 656        | 23 415 358        | 18 801 513        | 17 012 504        | 10 057 037        | 175 229 207        | 396 396 105        | 681 485 469          | 617 496 366        |
| Commercial   | 2300        | 108 576 133          | 6 704 260         | 4 862 873         | 4 564 567         | 2 885 976         | 1 525 941         | 9 186 973          | 60 568 329         | 198 875 052          | 78 731 786         |
| Households   | 2400        | 8 220 907            | 525 675           | 1 438 148         | 194 533           | 440 929           | 189 752           | 1 342 768          | 123 161 500        | 135 514 212          | 125 329 482        |
| Other  | 2500        |                      |                   |                   |                   |                   |                   |                    |                    |                      |                    |
| <b>Total By Customer Group</b>   | <b>2600</b> | <b>142 126 129</b>   | <b>22 474 591</b> | <b>29 716 379</b> | <b>23 560 613</b> | <b>20 339 409</b> | <b>11 772 730</b> | <b>185 758 948</b> | <b>580 125 934</b> | <b>1 015 874 733</b> | <b>821 557 634</b> |

#### Centlec (Soc) Ltd- Debtors Age Analysis by Customer Group as at 31 December 2022:

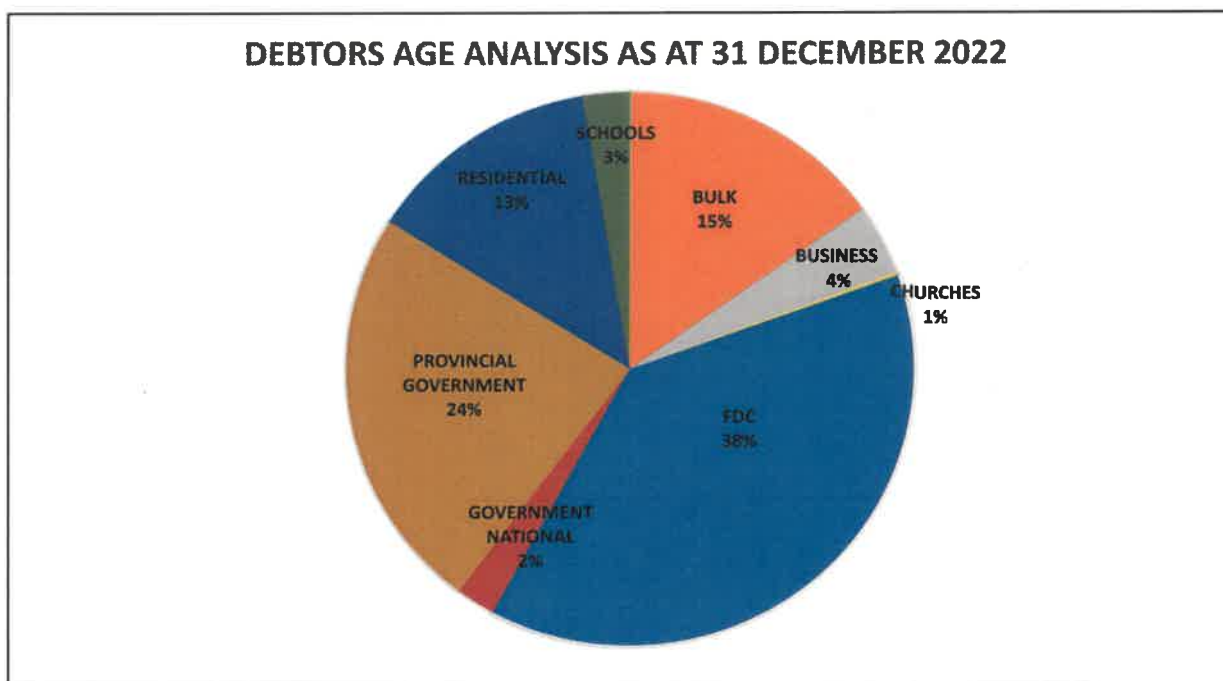
The following chart illustrates that the major debt is reflected in the over 1 year category. An amount of R 580,125 million is outstanding in this category (1 year and older), with R 396,396 million attributable to organs of state.

| 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        | 25 329 089         | 15 244 656        | 23 415 358        | 18 801 513        | 17 012 504        | 10 057 037        | 175 229 207        | 396 396 105        | 681 485 469          |
| Commercial                             | 2300        | 108 576 133        | 6 704 260         | 4 862 873         | 4 564 567         | 2 885 976         | 1 525 941         | 9 186 973          | 60 568 329         | 198 875 052          |
| Households                             | 2400        | 8 220 907          | 525 675           | 1 438 148         | 194 533           | 440 929           | 189 752           | 1 342 768          | 123 161 500        | 135 514 212          |
| Other                                  | 2500        |                    |                   |                   |                   |                   |                   |                    |                    |                      |
| <b>Total By Customer Group</b>         | <b>2600</b> | <b>142 126 129</b> | <b>22 474 591</b> | <b>29 716 379</b> | <b>23 560 613</b> | <b>20 339 409</b> | <b>11 772 730</b> | <b>185 758 948</b> | <b>580 125 934</b> | <b>1 015 874 733</b> |

**Centlec (Soc) Ltd- Debtors Age Analysis by Customer Class as at 31 December 2022:**

| 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              | 371 742               |                       |                       |                       |                         | 371 742              |
| BULK                     | 87 075 067            | 14 623 058            | 6 280 613             | 4 779 140             | 41 367 597              | 154 125 476          |
| BUSINESS                 | 4 365 603             | 1 689 472             | 336 216               | 67 816                | 35 459 157              | 41 918 264           |
| CHURCHES                 | 164 642               | 106 173               | 3 973                 | 3 958                 | 1 519 911               | 1 798 657            |
| CRECHE                   | 25                    | 23                    | 23                    | 22                    | 230 016                 | 230 109              |
| EDUCATION - UNIVERSITY   | 122 824               | 57 504                | 83 435                | 11 938                | 2 523                   | 278 224              |
| FDC                      | 2 355 441             | 2 177 933             | 2 177 933             | 2 026 579             | 381 106 033             | 389 843 918          |
| GOVERNMENT NATIONAL      | 4 843 967             | 2 056 629             | 4 056 940             | 5 043 140             | 7 203 260               | 23 203 936           |
| INDIGENTS                | 2 381                 | 861                   | 810                   | 8 007                 | 52 337                  | 64 397               |
| PROVINCIAL GOVERNMENT    | 7 099 222             | 5 514 115             | 8 607 289             | 15 799 083            | 204 332 019             | 241 351 727          |
| RESIDENTIAL              | 7 552 163             | 665 502               | 524 864               | 1 430 141             | 125 277 285             | 135 449 956          |
| SCHOOLS                  | 1 130 115             | 151 666               | 402 498               | 546 555               | 24 855 049              | 27 085 884           |
| TRAINING AND DEVELOPMENT | -                     |                       |                       |                       | 152 585                 | 152 585              |
| <b>TOTAL DEBTORS</b>     | <b>115 083 193</b>    | <b>27 042 937</b>     | <b>22 474 594</b>     | <b>29 716 378</b>     | <b>821 557 771</b>      | <b>1 015 874 873</b> |

The following chart indicates the outstanding debtors per customer group:



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

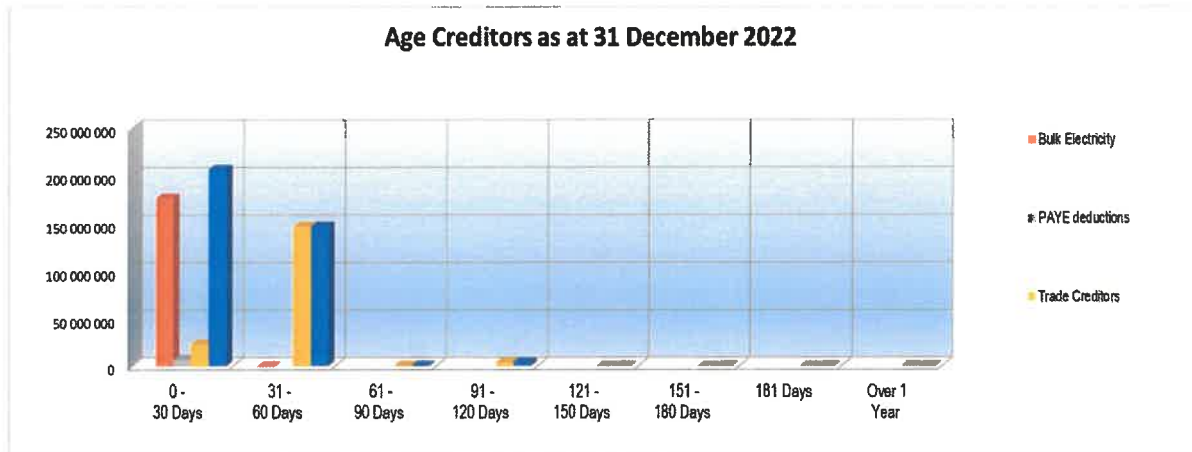
- The total outstanding debtors >90 days balance as at 31 December 2022 amounts to R 821,557 million for the mid-year.

## 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 357, million for the mid-year period ended 31 December 2022.

| Centlec (SOC) Ltd - Supporting Table F4 Entity Aged creditors - M06 December |             |                      |                |              |               |                |                |                   |             |                |
|--|-------------|----------------------|----------------|--------------|---------------|----------------|----------------|-------------------|-------------|----------------|
| Detail   | NT Code     | Current Year 2022/23 |                |              |               |                |                |                   |             | Total          |
|  |             | 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 |                |
| <b>Creditors Age Analysis By Customer Type</b>                               |             |                      |                |              |               |                |                |                   |             |                |
| Bulk Electricity   | 0100        | 176 890              |                |              |               |                |                |                   |             | 176 890        |
| Bulk Water   | 0200        |                      |                |              |               |                |                |                   |             |                |
| PAYE deductions  | 0300        | 6 883                |                |              |               |                |                |                   |             | 6 883          |
| VAT (output less input)  | 0400        |                      |                |              |               |                |                |                   |             |                |
| Pensions / Retirement deductions   | 0500        |                      |                |              |               |                |                |                   |             |                |
| Loan repayments  | 0600        |                      |                |              |               |                |                |                   |             |                |
| Trade Creditors  | 0700        | 22 896               | 146 850        | 543          | 3 719         |                |                |                   |             | 174 007        |
| Auditor General  | 0800        |                      |                |              |               |                |                |                   |             |                |
| Other  | 0900        |                      |                |              |               |                |                |                   |             |                |
| <b>Total By Customer Type</b>  | <b>2600</b> | <b>206 668</b>       | <b>146 850</b> | <b>543</b>   | <b>3 719</b>  |                |                |                   |             | <b>357 780</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 2022 amounts to R 151,112 million.
- Creditors >31days for R 151,112 million is due cash flow constraints and under collection of debt.

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

| INVESTMENTS (R THOUSANDS) | YTD CLOSING BALANCE AS AT 31 DECEMBER 2022 |
|---------------------------|--|
| ABSA - 1 Day Account      | 56   |
| <b>Total Investments</b>  | <b>56</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 56 060 as at 31 December 2022. The interest received for the month ending 31 December 2022 for all investment accounts amounts to R 45,115.

#### 1 Day Call Account Investment as at end of 31 December 2022:

| Centlec - Supporting Table F5 Entity investment portfolio monthly statement - M06 December |                                |                    |                           |                                |         |                       |               |           |
|--|--------------------------------|--------------------|---------------------------|--------------------------------|---------|-----------------------|---------------|-----------|
| Investments by maturity<br>Name of institution & investment ID<br>R thousands              | Current Year                   |                    |                           |                                |         |                       |               |           |
|  | Period of investment<br>Months | Type of investment | Expiry date of investment | Accrued interest for the month | Yield % | Market value<br>Begin | Change        | End       |
| ABSA - 1 Day Account   | February 2013                  | Call Account       | n/a                       | 45                             |         | (37 220)              | 13 100        | 56        |
| <b>Total investments</b>   |                                |                    |                           | <b>45</b>                      |         | <b>(37 220)</b>       | <b>13 100</b> | <b>56</b> |

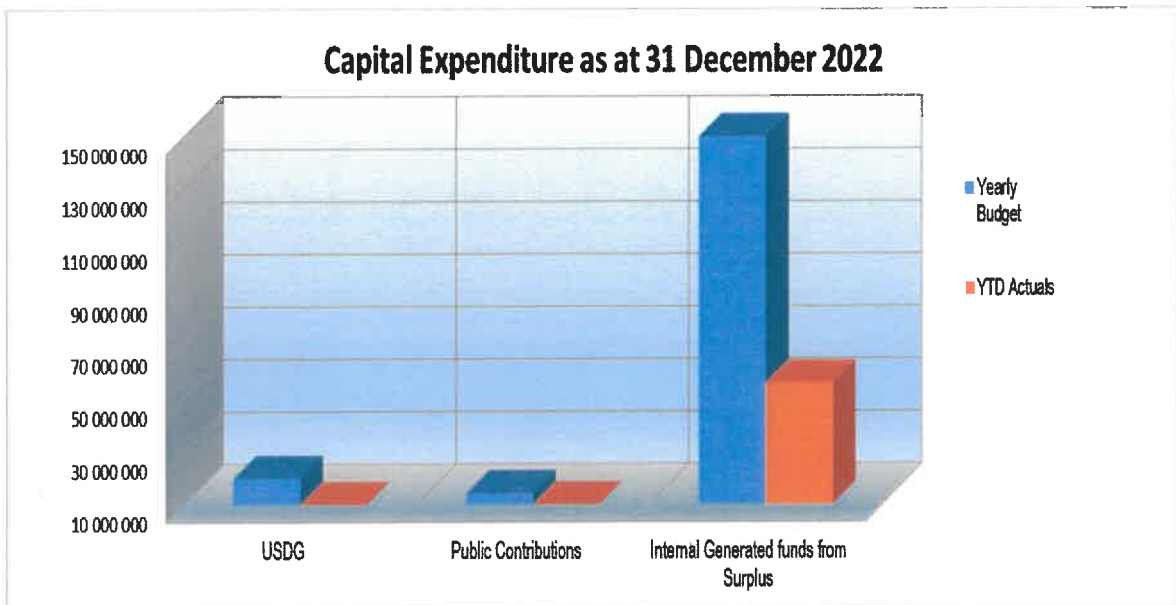
## 2.4 Capital Programme Performance

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 64,504 million (24%) on the year to date budget allocation of R 265,225 million.

### Summary Statement of Capital Expenditure – Financing

| Description                           | Yearly Budget  | YTD Actuals   | YTD Variance Fav/(Unfav) | YTD %      |
|---------------------------------------|----------------|---------------|--------------------------|------------|
| USDG                                  | 20 000         | 3 624         | 16 376                   | 18%        |
| Public Contributions                  | 14 300         | 4 830         | 9 470                    | 34%        |
| Internal Generated funds from Surplus | 230 925        | 56 049        | 174 876                  | 24%        |
| <b>Total Financing</b>                | <b>265 225</b> | <b>64 504</b> | <b>200 722</b>           | <b>24%</b> |

The following chart indicates the capital expenditure funding for the year ending 31 December 2022.



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  | 2021/22         | Current Year 2022/23 |                |               |                |               |                |                    |
|  | Audited Outcome | Original Budget      | Monthly actual | 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>97 357</b>   | <b>175 501</b>       | <b>5 325</b>   | <b>48 805</b> | <b>87 751</b>  | <b>38 946</b> | <b>44.4%</b>   | <b>175 501</b>     |
| Roads Infrastructure   |                 |                      |                |               |                |               |                |                    |
| Electrical Infrastructure  | 97 357          | 175 501              | 5 325          | 48 805        | 87 751         | 38 946        | 44.4%          | 175 501            |
| Power Plants   |                 |                      |                |               |                |               |                |                    |
| HV Substations   | 38              | 9 500                |                | 338           | 4 950          | 4 612         | 93.2%          | 10 000             |
| MV Substations   |                 |                      |                |               |                |               |                |                    |
| MV Networks  | 27 576          | 31 090               | 1 916          | 11 081        | 15 345         | 4 264         | 27.8%          | 30 590             |
| LV Networks  | 69 744          | 125 912              | 3 410          | 37 386        | 62 956         | 25 570        | 40.6%          | 125 912            |
| Capital Spares   |                 |                      |                |               |                |               |                |                    |
| <b>Community Assets</b>  | <b>14 703</b>   | <b>51 404</b>        |                | <b>981</b>    | <b>23 930</b>  | <b>22 949</b> | <b>95.9%</b>   | <b>39 002</b>      |
| Community Facilities   | 14 640          | 50 830               |                | 981           | 23 643         | 22 662        | 95.9%          | 38 427             |
| Halls  |                 |                      |                |               |                |               |                |                    |
| Centres  | 14 640          | 50 830               |                | 981           | 23 643         | 22 662        | 95.9%          | 38 427             |
| Crèches  |                 |                      |                |               |                |               |                |                    |
| Sport and Recreation Facilities  | 63              | 574                  |                |               | 287            | 287           | 100.0%         | 574                |
| Indoor Facilities  |                 |                      |                |               |                |               |                |                    |
| Outdoor Facilities   | 63              | 574                  |                |               | 287            | 287           | 100.0%         | 574                |
| Training Centres   |                 |                      |                |               |                |               |                |                    |
| <b>Computer Equipment</b>  | <b>17 764</b>   | <b>8 120</b>         |                | <b>2 062</b>  | <b>4 060</b>   | <b>1 998</b>  | <b>49.2%</b>   | <b>8 120</b>       |
| Computer Equipment   | 17 764          | 8 120                |                | 2 062         | 4 060          | 1 998         | 49.2%          | 8 120              |
| <b>Furniture and Office Equipment</b>  | <b>219</b>      | <b>7 250</b>         |                | <b>24</b>     | <b>3 625</b>   | <b>3 601</b>  | <b>99.3%</b>   | <b>7 250</b>       |
| Furniture and Office Equipment   | 219             | 7 250                |                | 24            | 3 625          | 3 601         | 99.3%          | 7 250              |
| <b>Total Capital Expenditure</b>   | <b>156 011</b>  | <b>265 225</b>       | <b>7 912</b>   | <b>64 504</b> | <b>132 613</b> | <b>68 109</b> | <b>51%</b>     | <b>265 225</b>     |
| <b>Funded by:</b>  |                 |                      |                |               |                |               |                |                    |
| National Government  | 25 211          | 20 000               |                | 3 624         | 10 000         | 6 376         | 63.8%          | 20 000             |
| Provincial Government  |                 |                      |                |               |                |               |                |                    |
| Parent Municipality  | 10 355          | 14 300               | 944            | 4 830         | 7 150          | 2 320         | 32.4%          | 14 300             |
| District Municipality  |                 |                      |                |               |                |               |                |                    |
| <b>Transfers recognised - capital</b>  | <b>35 566</b>   | <b>34 300</b>        | <b>944</b>     | <b>8 455</b>  | <b>17 150</b>  | <b>8 695</b>  | <b>51%</b>     | <b>34 300</b>      |
| <b>Public contributions &amp; donations</b>  |                 |                      |                |               |                |               |                |                    |
| <b>Borrowing</b>   |                 |                      |                |               |                |               |                |                    |
| <b>Internally generated funds</b>  | <b>120 444</b>  | <b>230 925</b>       | <b>6 968</b>   | <b>56 049</b> | <b>115 463</b> | <b>59 414</b> | <b>51.5%</b>   | <b>230 925</b>     |
| <b>Total Capital Funding</b>   | <b>156 011</b>  | <b>265 225</b>       | <b>7 912</b>   | <b>64 504</b> | <b>132 613</b> | <b>68 109</b> | <b>51%</b>     | <b>265 225</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

| <b>Centlec (SOC) Ltd - Supporting Table F1 Entity Material variance explanation - M06 December</b> |                 |  |                                       |
|--|-----------------|--|---------------------------------------|
| <b>Description</b>   | <b>Variance</b> | <b>Reasons for material deviations</b>   | <b>Remedial or corrective steps /</b> |
| <b>R thousands</b>   |                 |  |                                       |
| <b>Revenue items</b>   |                 |  |                                       |
| Service charges - electricity revenue  | (229 614)       | YTD unfavourable variance against the YTD Budget. The variance is due to customers converting to solar.  |                                       |
| Interest earned - external investments   | (1 489)         | YTD unfavourable variance against the YTD Budget. The interest received was lower than the anticipated budget.   |                                       |
| Interest earned - outstanding debtors  | (7 109)         | YTD unfavourable variance against the YTD Budget is due to reversals on estimates.   |                                       |
| Other revenue  | (3 801)         | YTD unfavourable variance against the YTD budget is due to under collection on other revenue line items.   |                                       |
| <b>Expenditure items</b>   |                 |  |                                       |
| Employee related costs   | 9 086           | YTD unfavourable variance against the Budget allocation is due to increments on third parties and salary increase.   |                                       |
| Bulk purchases   | 91 712          | YTD unfavourable variance against the YTD Budget. The variance is mainly due to more kilowatts hours purchased and Bulk Purchases measured against a straight line budget. |                                       |
| Contracted services  | (47 703)        | YTD favourable variance (Savings) than the anticipated YTD budget due to underspending on contracted services.   |                                       |
| Other Expenditure  | 3 846           | YTD unfavourable variance than the anticipated YTD budget due to overspending on operational line items.   |                                       |
| <b>Financial Position</b>  |                 |  |                                       |
| Client elected not to populate this sheet  |                 |  |                                       |
| <b>Capital Expenditure items</b>   |                 |  |                                       |
| Capital Expenditure projects   | 68 109          | YTD unfavourable variance against the anticipated Ytd budget allocation is due to slow   |                                       |
| <b>Cash flow items</b>   |                 |  |                                       |
| Ratepayers and other   | 264 646         | YTD favourable variance against the YTD Budget. The variance is due to winter tariffs charged in July and August.  |                                       |
| Suppliers and employees  | (364 344)       | YTD unfavourable variance against the YTD Budget. The expenditure was higher than the anticipated budget due to Eskom payments .   |                                       |
| <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   | 2021/22         | Current Year    |               |                    |
|  |  | Audited Outcome | Original Budget | YearTD actual | Full Year Forecast |
| <b><u>Borrowing Management</u></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   | 7.7%            | 2.4%            | 7.0%          | 6.2%               |
| Borrowed funding of capital expenditure  | Borrowing/Capital expenditure excl. transfers and grants and contributions                             | 0.0%            | 0.0%            | 0.0%          | 0.0%               |
| <b><u>Safety of Capital</u></b>  |  |                 |                 |               |                    |
| Debt to Equity   | Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves                                   | 181.0%          | 40.5%           | 189.1%        | 40.5%              |
| Gearing  | Long Term Borrowing/ Funds & Reserves  |                 |                 |               |                    |
| <b><u>Liquidity</u></b>  |  |                 |                 |               |                    |
| Current Ratio  | Current assets/current liabilities   | 66.2%           | 82.7%           | 64.7%         | 82.7%              |
| Current Ratio adjusted for debtors   | Current assets/current liabilities less debtors > 90 days  | 66.2%           | 82.7%           | 64.7%         | 82.7%              |
| Liquidity Ratio  | Monetary Assets/Current Liabilities  | 0.2%            | 4.3%            | (2.7%)        | 4.3%               |
| <b><u>Revenue Management</u></b>   |  |                 |                 |               |                    |
| Annual Debtors Collection Rate (Payment Level %)   | Last 12 Mths Receipts/ Last 12 Mths Billing  | 0.0%            | 0.0%            | 0.0%          | 0.0%               |
| Outstanding Debtors to Revenue   | Total Outstanding Debtors to Annual Revenue  | 136.5%          | 16.9%           | 266.8%        | 16.9%              |
| Longstanding Debtors Reduction Due To Recovery   | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old  | 0.0%            | 0.0%            | 0.0%          | 0.0%               |
| <b><u>Creditors Management</u></b>   |  |                 |                 |               |                    |
| Creditors System Efficiency  | % of Creditors Paid Within Terms (within MFMA s 65(e))   |                 |                 |               |                    |
| <b><u>Funding of Provisions</u></b>  |  |                 |                 |               |                    |
| Percentage Of Provisions Not Funded  | Unfunded Provisions/Total Provisions   |                 |                 |               |                    |
| <b><u>Other Indicators</u></b>   |  |                 |                 |               |                    |
| Electricity Distribution Losses  | % Volume (Total units purchased + generated less total units sold)/Total units purchased + generated   |                 |                 | 13.31%        |                    |
| 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   | 14.5%           | 12.0%           | 14.5%         | 12.0%              |
| Repairs & Maintenance  | R&M/Total Revenue - capital revenue  | 0.0%            | 0.0%            | 0.0%          | 0.0%               |
| Interest & Depreciation  | I&D/Total Revenue - capital revenue  | 8.3%            | 2.2%            | 7.6%          | 5.5%               |
| <b><u>Financial viability indicators</u></b>   |  |                 |                 |               |                    |
| i. Debt coverage   | (Total Operating Revenue - Operating Grants)/Debt service payments due within                          | 17175.8%        | 14004.9%        | 19117.8%      | 14004.9%           |
| ii. O/S Service Debtors to Revenue   | Total outstanding service debtors/annual revenue received for services                                 | 18.6%           | 17.2%           | 39.6%         | 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<br>Name of institution &<br>investment ID<br>R thousands           | Current Year                      |                       |                                 |                                      |            |                 |               |           |
|  | Period of<br>investment<br>Months | Type of<br>investment | Expiry date<br>of<br>investment | Accrued<br>interest for<br>the month | Yield<br>% | Market<br>value |               |           |
|  |                                   |                       |                                 |                                      |            | Begin           | Change        | End       |
| ABSA - 1 Day Account   | February 2013                     | Call Account          | n/a                             | 45                                   |            | (37 220)        | 13 100        | 56        |
| <b>Total investments</b>   |                                   |                       |                                 | <b>45</b>                            |            | <b>(37 220)</b> | <b>13 100</b> | <b>56</b> |

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

| Centlec - Supporting Table F6 Entity Board member allowances & staff benefits - M06 December |     |                    |                      |                   |                  |                  |                 |                 |                       |
|--|-----|--------------------|----------------------|-------------------|------------------|------------------|-----------------|-----------------|-----------------------|
| Summary of Employee and Board Member remuneration<br>R thousands                             | Ref | 2021/22            | Current Year 2022/23 |                   |                  |                  |                 |                 |                       |
|  |     | Audited<br>Outcome | Original<br>Budget   | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD<br>variance | YTD<br>variance | Full Year<br>Forecast |
|  |     |                    |                      |                   |                  |                  |                 | %               |                       |
| <b>Remuneration</b>  |     |                    |                      |                   |                  |                  |                 |                 |                       |
| <b>Board Members of Entities</b>   |     |                    |                      |                   |                  |                  |                 |                 |                       |
| Basic Salaries and Wages   |     | 142                | 785                  | 9                 | 38               | 393              | (355)           | -90.3%          | 785                   |
| <b>Sub Total - Board Members of Entities</b>   |     | <b>142</b>         | <b>785</b>           | <b>9</b>          | <b>38</b>        | <b>393</b>       | <b>(355)</b>    | <b>-90.3%</b>   | <b>785</b>            |
| % increase   | 3   |                    |                      |                   |                  |                  |                 |                 |                       |
| <b>Senior Managers of Entities</b>   |     |                    |                      |                   |                  |                  |                 |                 |                       |
| Basic Salaries and Wages   |     | 2 488              | 12 130               | 727               | 4 360            | 6 065            | (1 705)         | -28.1%          | 12 130                |
| Pension and UIF Contributions  |     | 4                  |                      | 1                 | 7                |                  | 7               | 0.0%            |                       |
| Medical Aid Contributions  |     |                    |                      |                   |                  |                  |                 |                 |                       |
| Motor Vehicle Allowance  |     | 514                |                      | 178               | 1 065            |                  | 1 065           | 0.0%            |                       |
| Cellphone Allowance  |     | 28                 | 116                  | 9                 | 55               | 58               | (3)             | -4.8%           | 116                   |
| Other benefits and allowances  | 1   | 0                  |                      | 0                 | 0                |                  | 0               | 0.0%            |                       |
| <b>Sub Total - Senior Managers of Entities</b>   |     | <b>3 034</b>       | <b>12 246</b>        | <b>915</b>        | <b>5 488</b>     | <b>6 123</b>     | <b>(635)</b>    | <b>-10.4%</b>   | <b>12 246</b>         |
| <b>Other Staff of Entities</b>   |     |                    |                      |                   |                  |                  |                 |                 |                       |
| Basic Salaries and Wages   |     | 251 548            | 248 765              | 21 345            | 129 473          | 124 383          | 5 090           | 4.1%            | 248 765               |
| Pension and UIF Contributions  |     | 42 856             | 46 280               | 3 830             | 23 017           | 23 140           | (123)           | -0.5%           | 46 280                |
| Medical Aid Contributions  |     | 24 409             | 42 859               | 2 092             | 12 769           | 21 430           | (8 661)         | -40.4%          | 42 859                |
| Overtime   |     | 40 893             | 33 155               | 3 611             | 22 297           | 16 577           | 5 720           | 34.5%           | 33 155                |
| Performance Bonus  |     | 18 757             | 19 551               | 2 051             | 9 442            | 9 776            | (334)           | -3.4%           | 19 551                |
| Motor Vehicle Allowance  |     | 24 555             | 1 531                | 2 197             | 13 293           | 765              | 12 527          | 1636.6%         | 1 531                 |
| Cellphone Allowance  |     | 827                | 746                  | 56                | 354              | 373              | (19)            | -5.2%           | 746                   |
| Housing Allowances   |     | 1 594              | 8 564                | 146               | 878              | 4 282            | (3 404)         | -79.5%          | 8 564                 |
| Other benefits and allowances  |     | 11 488             | 12 291               | 811               | 5 939            | 6 146            | (207)           | -3.4%           | 12 291                |
| Payments in lieu of leave  | 1   | 817                | 1 923                | 39                | 91               | 961              | (870)           | -90.5%          | 1 923                 |
| Long service awards  |     | 3 769              |                      |                   |                  |                  |                 |                 |                       |
| <b>Sub Total - Other Staff of Entities</b>   |     | <b>421 512</b>     | <b>415 664</b>       | <b>36 178</b>     | <b>217 553</b>   | <b>207 833</b>   | <b>9 720</b>    | <b>4.7%</b>     | <b>415 664</b>        |
| % increase   | 3   |                    |                      |                   |                  |                  |                 |                 |                       |
| <b>Total Municipal Entities remuneration</b>   |     | <b>424 688</b>     | <b>428 695</b>       | <b>37 101</b>     | <b>223 079</b>   | <b>214 348</b>   | <b>8 731</b>    | <b>4.1%</b>     | <b>428 695</b>        |
| Unpaid salary, allowances & benefits in arrears:   |     |                    |                      |                   |                  |                  |                 |                 |                       |

## Supporting Table SF7 – Monthly actuals & revised targets

| Centec - Supporting Table F7 Entity monthly actuals & revised targets - M06 December |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
|--|---------------------|----------------|-----------------|----------------|----------------|-----------------|---------------|---------------|---------------|---------------|---------------|--------------------|---|------------------------|------------------------|
| Description  | Budget Year 2022/23 |                |                 |                |                |                 |               |               |               |               |               |                    | Medium Term Revenue and Expenditure Framework |                        |                        |
|  | July                | August         | Sept.           | October        | November       | December        | January       | February      | March         | April         | May           | June               | Budget Year 2022/23                           | Budget Year +1 2023/24 | Budget Year +2 2024/25 |
| <b>R thousands</b>   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| <b>Cash Receipts by Source</b>   | <b>Outcome</b>      | <b>Outcome</b> | <b>Outcome</b>  | <b>Outcome</b> | <b>Outcome</b> | <b>Outcome</b>  | <b>Budget</b> | <b>Budget</b> | <b>Budget</b> | <b>Budget</b> | <b>Budget</b> | <b>Budget</b>      | <b>Budget</b>                                 |                        |                        |
| Property rates   |                     |                |                 |                |                |                 |               |               |               |               |               | (1 844 780)        |   |                        |                        |
| Service charges - electricity revenue  | 279 336             | 373 089        | 354 111         | 333 266        | 267 492        | 237 487         |               |               |               |               |               |                    |   |                        |                        |
| Service charges - water revenue  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Service charges - sanitation revenue   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Service charges - refuse revenue   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Rental of facilities and equipment   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Interest earned - external investments   | 667                 | 1 269          | 1 324           | 3 078          | 1 110          | 570             |               |               |               |               |               | (8 018)            |   |                        |                        |
| Interest earned - outstanding debtors  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Fines, penalties and forfeits  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Licences and permits   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Agency services  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Transfers and Subsidies - Operational  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Other revenue  | 176                 | 157            | 139             | 134            | 150            | 143             |               |               |               |               |               | (899)              |   |                        |                        |
| <b>Cash Receipts by Source</b>   | <b>280 179</b>      | <b>374 515</b> | <b>355 574</b>  | <b>336 478</b> | <b>268 752</b> | <b>238 200</b>  |               |               |               |               |               | <b>(1 853 698)</b> |   |                        |                        |
| <b>Other Cash Flows by Source</b>  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Transfers and subsidies - capital (monetary)   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Transfers and subsidies - capital (monetary)   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Proceeds on Disposal of Fixed and Intangible   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Short term loans   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Borrowing long term/refinancing  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Increase (decrease) in consumer deposits   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Decrease (increase) in non-current receivables                                       |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Decrease (increase) in non-current investments                                       |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| <b>Total Cash Receipts by Source</b>   | <b>280 179</b>      | <b>374 515</b> | <b>355 574</b>  | <b>336 478</b> | <b>268 752</b> | <b>238 200</b>  |               |               |               |               |               | <b>(1 853 698)</b> |   |                        |                        |
| <b>Cash Payments by Type</b>   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Employee related costs   | 30 323              | 30 377         | 29 995          | 29 449         | 30 067         | 30 302          |               |               |               |               |               | (180 514)          |   |                        |                        |
| Remuneration of councillors  | 10                  |                | 5               |                | 14             | 9               |               |               |               |               |               | (38)               |   |                        |                        |
| Finance charges  | 655                 |                | 217             | 297            | 1 663          | 710             |               |               |               |               |               | (3 542)            |   |                        |                        |
| Bulk purchases - electricity   | 138 134             | 253 609        | 307 253         | 198 516        | 189 656        | 155 231         |               |               |               |               |               | (1 242 398)        |   |                        |                        |
| Acquisitions - water & other inventory   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Dividends paid   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Contracted services  | 7 600               | 5 965          | 8 308           | 17 344         | 4 399          | 10 002          |               |               |               |               |               | (53 619)           |   |                        |                        |
| Transfers and grants - other municipalities  |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Transfers and grants - other   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Other expenditure  | 21 626              | 18 735         | 30 607          | 28 673         | 22 768         | 42 122          |               |               |               |               |               | (164 531)          |   |                        |                        |
| <b>Cash Payments by Type</b>   | <b>198 349</b>      | <b>308 686</b> | <b>376 385</b>  | <b>274 279</b> | <b>248 567</b> | <b>238 377</b>  |               |               |               |               |               | <b>(1 644 642)</b> |   |                        |                        |
| <b>Other Cash Flows/Payments by Type</b>   |                     |                |                 |                |                |                 |               |               |               |               |               |                    |   |                        |                        |
| Capital assets   | 47 856              | 9 684          | 16 299          | 17 446         | 11 758         | 19 882          |               |               |               |               |               | (122 923)          |   |                        |                        |
| Repayment of borrowing   |                     | 10 000         |                 |                |                |                 |               |               |               |               |               | (10 000)           |   |                        |                        |
| Other Cash Flows/Payments  | 25 718              | 1 234          | 15 642          | 21 116         | 9 329          | 6 427           |               |               |               |               |               | (79 466)           |   |                        |                        |
| <b>Total Cash Payments by Type</b>   | <b>271 922</b>      | <b>329 604</b> | <b>408 326</b>  | <b>312 841</b> | <b>269 653</b> | <b>264 685</b>  |               |               |               |               |               | <b>(1 857 032)</b> |   |                        |                        |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>  | <b>8 256</b>        | <b>44 911</b>  | <b>(52 752)</b> | <b>23 637</b>  | <b>(901)</b>   | <b>(26 485)</b> |               |               |               |               |               | <b>3 334</b>       |   |                        |                        |
| Cash/cash equivalents at the month/year begin:                                       | 6 126               | 14 383         | 59 293          | 6 542          | 30 179         | 29 278          | 2 792         | 2 792         | 2 792         | 2 792         | 2 792         | 2 792              | 6 126   | 6 126                  | 6 126                  |
| Cash/cash equivalents at the month/year end:   | 14 383              | 59 293         | 6 542           | 30 179         | 29 278         | 2 792           | 2 792         | 2 792         | 2 792         | 2 792         | 2 792         | 6 126              | 6 126   | 6 126                  | 6 126                  |

### 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   | 2021/22         | Current Year 2022/23 |                |               |                |               |                |                    |
|   | 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 new assets by Asset Class/Sub-class</b>   |                 |                      |                |               |                |               |                |                    |
| <b>Infrastructure</b>   | <b>80 301</b>   | <b>125 927</b>       | <b>4 104</b>   | <b>34 897</b> | <b>62 963</b>  | <b>28 067</b> | <b>44.6%</b>   | <b>125 927</b>     |
| Electrical Infrastructure   | 80 301          | 125 927              | 4 104          | 34 897        | 62 963         | 28 067        | 44.6%          | 125 927            |
| <i>Power Plants</i>   |                 |                      |                |               |                |               |                |                    |
| <i>HV Substations</i>   | 38              | 7 250                |                | 7             | 3 625          | 3 618         | 99.8%          | 7 250              |
| <i>MV Networks</i>  | 14 715          | 7 100                | 703            | 5 230         | 3 550          | (1 680)       | -47.3%         | 7 100              |
| <i>LV Networks</i>  | 65 549          | 111 577              | 3 400          | 29 660        | 55 788         | 26 129        | 46.8%          | 111 577            |
| <i>Capital Spares</i>   |                 |                      |                |               |                | -             |                |                    |
| <b>Community Assets</b>   | <b>14 703</b>   | <b>51 404</b>        |                | <b>981</b>    | <b>23 930</b>  | <b>22 949</b> | <b>95.9%</b>   | <b>39 002</b>      |
| Community Facilities  | 14 640          | 50 830               |                | 981           | 23 643         | 22 662        | 95.9%          | 38 427             |
| <i>Halls</i>  |                 |                      |                |               |                |               |                |                    |
| <i>Centres</i>  | 14 640          | 50 830               |                | 981           | 23 643         | 22 662        | 95.9%          | 38 427             |
| Sport and Recreation Facilities   | 63              | 574                  |                |               | 287            | 287           | 100.0%         | 574                |
| <i>Indoor Facilities</i>  |                 |                      |                |               |                |               |                |                    |
| <i>Outdoor Facilities</i>   | 63              | 574                  |                |               | 287            | 287           | 100.0%         | 574                |
| <i>Capital Spares</i>   |                 |                      |                |               |                |               |                |                    |
| <b>Computer Equipment</b>   | <b>17 764</b>   | <b>8 120</b>         |                | <b>2 062</b>  | <b>4 060</b>   | <b>1 998</b>  | <b>49.2%</b>   | <b>8 120</b>       |
| Computer Equipment  | 17 764          | 8 120                |                | 2 062         | 4 060          | 1 998         | 49.2%          | 8 120              |
| <b>Furniture and Office Equipment</b>   | <b>219</b>      | <b>7 250</b>         |                | <b>24</b>     | <b>3 625</b>   | <b>3 601</b>  | <b>99.3%</b>   | <b>7 250</b>       |
| Furniture and Office Equipment  | 219             | 7 250                |                | 24            | 3 625          | 3 601         | 99.3%          | 7 250              |
| <b>Machinery and Equipment</b>  |                 | <b>3 000</b>         |                |               | <b>1 500</b>   | <b>1 500</b>  | <b>100.0%</b>  | <b>3 000</b>       |
| Machinery and Equipment   |                 | 3 000                |                |               | 1 500          | 1 500         | 100.0%         | 3 000              |
| <b>Transport Assets</b>   | <b>25 968</b>   | <b>19 950</b>        | <b>2 587</b>   | <b>12 632</b> | <b>11 747</b>  | <b>(885)</b>  | <b>-7.5%</b>   | <b>32 352</b>      |
| Transport Assets  | 25 968          | 19 950               | 2 587          | 12 632        | 11 747         | (885)         | -7.5%          | 32 352             |
| <b>Total Capital Expenditure on new assets</b>  | <b>138 955</b>  | <b>215 651</b>       | <b>6 690</b>   | <b>50 595</b> | <b>107 825</b> | <b>57 230</b> | <b>53.1%</b>   | <b>215 651</b>     |

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

| - Supporting Table F8b Entity capital expenditure on the renewal of existing assets by asset class - M06 December |                 |                      |                |               |               |              |                |                    |
|---|-----------------|----------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description   | 2021/22         | Current Year 2022/23 |                |               |               |              |                |                    |
|   | Audited Outcome | Original Budget      | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands   |                 |                      |                |               |               |              |                |                    |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>                                 |                 |                      |                |               |               |              |                |                    |
| <b>Infrastructure</b>   | 9 789           | 24 045               | 663            | 5 333         | 12 022        | 6 689        | 55.6%          | 24 045             |
| Electrical Infrastructure   | 9 789           | 24 045               | 663            | 5 333         | 12 022        | 6 689        | 55.6%          | 24 045             |
| Power Plants  |                 |                      |                |               |               |              |                |                    |
| HV Substations  |                 | 2 250                |                | 331           | 1 325         | 994          | 75.0%          | 2 750              |
| MV Switching Stations   |                 |                      |                |               |               |              |                |                    |
| MV Networks   | 8 673           | 17 490               | 662            | 4 108         | 8 545         | 4 437        | 51.9%          | 16 990             |
| LV Networks   | 1 116           | 4 305                | 0              | 895           | 2 153         | 1 258        | 58.4%          | 4 305              |
| <b>Other assets</b>   |                 |                      |                |               |               |              |                |                    |
| Operational Buildings   |                 |                      |                |               |               |              |                |                    |
| <b>Total Capital Expenditure on renewal of existing assets</b>  | <b>9 789</b>    | <b>24 045</b>        | <b>663</b>     | <b>5 333</b>  | <b>12 022</b> | <b>6 689</b> | <b>55.6%</b>   | <b>24 045</b>      |

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

| - Supporting Table F8c Entity expenditure on repairs and maintenance by asset class - M06 December |                 |                      |                |               |               |                 |                |                    |
|--|-----------------|----------------------|----------------|---------------|---------------|-----------------|----------------|--------------------|
| Description  | 2021/22         | Current Year 2022/23 |                |               |               |                 |                |                    |
|  | Audited Outcome | Original Budget      | Monthly actual | YearTD actual | YearTD budget | YTD variance    | YTD variance % | Full Year Forecast |
| R thousands  |                 |                      |                |               |               |                 |                |                    |
| <b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>                                |                 |                      |                |               |               |                 |                |                    |
| <b>Infrastructure</b>  | 94 819          | 7 169                | 7 865          | 48 957        | 3 585         | (45 372)        | -1265.7%       | 7 169              |
| Power Plants   | 90 006          | 2 014                | 7 434          | 46 214        | 1 007         | (45 208)        | -4490.4%       | 2 014              |
| HV Substations   | 4 814           | 4 894                | 431            | 2 743         | 2 447         | (295)           | -12.1%         | 4 894              |
| LV Networks  |                 | 262                  |                |               | 131           | 131             | 100.0%         | 262                |
| <b>Other assets</b>  | 7 776           | 22 420               | 387            | 2 639         | 11 210        | 8 571           | 76.5%          | 22 420             |
| Operational Buildings  | 7 776           | 22 420               | 387            | 2 639         | 11 210        | 8 571           | 76.5%          | 22 420             |
| Municipal Offices  |                 |                      |                |               |               |                 |                |                    |
|  | 959             | 1 536                | 79             | 317           | 768           | 451             | 58.7%          | 1 536              |
|  | 959             | 1 536                | 79             | 317           | 768           | 451             | 58.7%          | 1 536              |
| Machinery and Equipment  |                 |                      |                |               |               |                 |                |                    |
| <b>Machinery and Equipment</b>   | 7 384           | 11 762               | 665            | 3 661         | 5 881         | 2 220           | 37.7%          | 11 762             |
|  | 7 384           | 11 762               | 665            | 3 661         | 5 881         | 2 220           | 37.7%          | 11 762             |
| <b>Total Repairs and Maintenance Expenditure</b>   | <b>110 938</b>  | <b>42 887</b>        | <b>8 996</b>   | <b>55 574</b> | <b>21 443</b> | <b>(34 130)</b> | <b>-159.2%</b> | <b>42 887</b>      |

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


| - Supporting Table F8d Entity Depreciation by asset class - M06 December |                 |                      |                |               |               |              |                |                    |
|--|-----------------|----------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description  | 2021/22         | Current Year 2022/23 |                |               |               |              |                |                    |
|  | 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>  | 203 653         | 54 402               | 16 971         | 101 766       | 27 201        | (74 565)     | -274.1%        | 54 402             |
| <i>LV Networks</i>   | 203 653         | 54 402               | 16 971         | 101 766       | 27 201        | (74 565)     | -274.1%        | 54 402             |
| <b>Community Assets</b>  | 3 566           | 1 715                | 297            | 1 783         | 858           | (925)        | -107.8%        | 1 715              |
| <i>Halls</i>   | 3 566           | 1 715                | 297            | 1 783         | 858           | (925)        | -107.8%        | 1 715              |
| <b>Intangible Assets</b>   | 11 876          | 7 795                | 990            | 5 754         | 3 898         | (1 856)      | -47.6%         | 7 795              |
| <i>Servitudes</i>  |                 |                      |                |               |               |              |                |                    |
| <i>Licences and Rights</i>   | 11 876          | 7 795                | 990            | 5 754         | 3 898         | (1 856)      | -47.6%         | 7 795              |
| <i>Water Rights</i>  |                 |                      |                |               |               |              |                |                    |
| <i>Computer Software and Applications</i>                                | 11 876          | 7 795                | 990            | 5 754         | 3 898         | (1 856)      | -47.6%         | 7 795              |
| <i>Load Settlement Software Applications</i>                             |                 |                      |                |               |               |              |                |                    |
| <b>Furniture and Office Equipment</b>                                    | 7 610           | 7 000                | 630            | 3 770         | 3 500         | (270)        | -7.7%          | 7 000              |
| <i>Furniture and Office Equipment</i>                                    | 7 610           | 7 000                | 630            | 3 770         | 3 500         | (270)        | -7.7%          | 7 000              |
| <b>Machinery and Equipment</b>   |                 | 56                   |                |               | 28            | 28           | 100.0%         | 56                 |
| <i>Machinery and Equipment</i>   |                 | 56                   |                |               | 28            | 28           | 100.0%         | 56                 |
| <b>Transport Assets</b>  | 6 787           | 5 623                | 565            | 3 179         | 2 812         | (367)        | -13.1%         | 5 623              |
| <i>Transport Assets</i>  | 6 787           | 5 623                | 565            | 3 179         | 2 812         | (367)        | -13.1%         | 5 623              |
| <b>Total Depreciation</b>  | 233 492         | 76 592               | 19 453         | 116 252       | 38 296        | (77 956)     | -203.6%        | 76 592             |

### 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   | 2021/22         | Current Year 2022/23 |                |               |               |              |                |                    |
|   | 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>   | 7 267           | 25 530               | 559            | 8 575         | 12 765        | 4 190        | 32.8%          | 25 530             |
| <i>Electrical Infrastructure</i>  | 7 267           | 25 530               | 559            | 8 575         | 12 765        | 4 190        | 32.8%          | 25 530             |
| <i>Power Plants</i>   |                 |                      |                |               |               |              |                |                    |
| <i>HV Substations</i>   |                 |                      |                |               |               |              |                |                    |
| <i>HV Transmission Conductors</i>   |                 | 9 000                |                |               | 4 500         | 4 500        | 100.0%         | 9 000              |
| <i>MV Substations</i>   |                 |                      |                |               |               |              |                |                    |
| <i>MV Switching Stations</i>  |                 |                      |                |               |               |              |                |                    |
| <i>MV Networks</i>  | 4 187           | 6 500                | 550            | 1 743         | 3 250         | 1 507        | 46.4%          | 6 500              |
| <i>LV Networks</i>  | 3 079           | 10 030               | 9              | 6 832         | 5 015         | (1 817)      | -36.2%         | 10 030             |
| <i>Capital Spares</i>   |                 |                      |                |               |               |              |                |                    |
| <b>Total Capital Expenditure on upgrading of existing assets</b>  | 7 267           | 25 530               | 559            | 8 575         | 12 765        | 4 190        | 32.8%          | 25 530             |

**CERTIFICATION**

Print Name SAMUEL K. ZIWA  
**ACTING CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD**

Signature 

Date 17/01/2023


**Accounting Officer's certification:**

I, Matheane Sebiso, 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 2022 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 Matheane Sebiso  
**CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD**

Signature 

Date 20/01/2023