

ADJUSTMENT BUDGET 2020-2021



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PART 1 – ADJUSTMENT BUDGET

1.1 CHAIRPERSON'S REPORT

Introduction

The Board has considered management's recommendation to adjust the 2020/2021 budget and accordingly approved the entity's budget in terms of Sec 87(6) and (9) of the MFMA.

Background

(a) This adjustment budget is mainly informed by:

- a reduction in consumption by key customers towards alternative energy sources.
- a decline in revenue as a result of low demand cited above.
- Under collection.
- Impact of Covid-19 in the economy

(b) To adjust revenue downwards by R 243,498 million. This downwards adjustment is mainly attributable to customers heeding to energy conservation and the economic downturn due to Covid19.

Legislation

This adjustments budget is prepared in line with the Municipal Finance Management Act (MFMA) Section 87(6) (9) and Section 18 -

Section 87(6) of the MFMA states - *The board of directors of a municipal entity may, with the approval of the mayor, revise the budget of the municipal entity, but only for the following reasons:*

- (a) To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) to authorise expenditure of any additional allocations to the municipal entity from its parent municipality;
- (c) to authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;
- (d) to authorise any other expenditure within a prescribed framework.

Section 87(9) of the MFMA states - The mayor must table the budget or adjusted budget and any adjustments budget of a municipal entity as approved by its board of directors, at the next council meeting of the municipality.

Overview


The tables below give an overview of the proposed adjustment budget that will be presented before Council for approval.

OPERATING BUDGET	APPROVED BUDGET	ADDITIONAL	REDUCED	ADJUSTMENT BUDGET
Operating Expenditure	2 445 068 958		32 248 347	2 412 820 611
Operating Revenue	2 834 677 263		243 498 298	2 591 178 965
(Surplus/Deficit)	-389 608 305		-211 249 951	-178 358 354
Gains and Losses	360 201		243 183	117 018
Surplus after Gains and Losses	-389 968 506		-211 493 134	-178 475 372
Less: Capital Grants	57 499 976		7 007 927	50 492 049
Less: Public Contribution	11 932 851			11 932 851
Surplus after Funding and Losses	-320 535 679		-204 485 207	-116 050 472
Capital Expenditure Financing -Own Funds	100 292 174	15 000 000		115 292 174
Net (Surplus)/Deficit	-220 243 505	15 000 000	-204 485 207	-758 298

CAPITAL BUDGET	APPROVED BUDGET	ADDITIONAL	REDUCED	ADJUSTMENT BUDGET
Own Funds	100 292 174	15 000 000		115 292 174
Grants and Subsidies	57 499 976		7 007 927	50 492 049
Public Contributions	11 932 851			11 932 851
Total Capital Expenditure Financing	169 725 001	15 000 000	7 007 927	177 717 074

Conclusion

Based on the details as outline above and in terms of the Section 89 (9) of the MFMA, it is recommended that Council approve the Adjustment Budget as contained herein and together with the resolutions as outlined below.



 Chairperson of the Board

1.2 RESOLUTIONS

That in terms of Section 89(6) and (9) of the MFMA, 56 of 2003, the annual budget (as approved on the 31 May 2020) of the Entity's Operating Revenue be decreased from R 2 834 billion to R 2,591 billion, Operating Expenditure be decreased from R 2,445 billion to R 2,412 billion and Capital Expenditure Budget be increased from R 7 992 to R 177,717 million, be approved/adopted for the 2020/21 financial year as set out in the following tables:

- (a) Table E1 – Adjustments Budget Summary**
- (b) Table E2 – Adjustments Budget Financial Performance (Revenue & Expenditure)**
- (c) Table E3 – Capital Expenditure Budget by Vote and Funding**
- (d) Table E4 – Financial Position**
- (e) Table E5 – Cash flows**

1.3 EXECUTIVE SUMMARY

The Adjustment budget was compiled in the context of distressed global economic outlook. There is significant evidence of a decline in economic growth and employment due to COVID-19 pandemic. The microeconomic results show that the pandemic moves the income distribution curve such that more households fall under the poverty line while at the same time, inequality inclines. The pandemic hit South Africa's economy at a time that the economy was already under substantial strain.

The punch was severe. South Africa's economy suffered a significant contraction during April, May and June, when the country operated under a widespread lockdown restriction in response to COVID-19.

The Adjustment Budget 2020/21 is mainly informed by Section 87 (6) (a); (c); and (d) of the Municipal Financial Management Act whereby it stated-

- (a) to adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) to authorise expenditure of any additional allocations to the municipal entity from its parent municipality;
- (c) to authorise, within a prescribed framework, any unforeseeable and unavoidable expenditure approved by the mayor of the parent municipality;
- (d) to authorise any other expenditure within a prescribed framework.

The adjustment of the 2020/21 budget focuses on allocation of resources to the following priorities;

- ✓ Decrease in demand
- ✓ Material under collection

Below is a summary of financial performance for the Adjustment Budget.

1.3.1 SUMMARY OF STATEMENT OF FINANCIAL PERFORMANCE

a) REVENUE BY SOURCE:

REVENUE PER SOURCE	ADJUSTMENT BUDGET 2020-21		
	APPROVED MTREF 2020-21	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET 2020-21
FINES AND PENALTIES	- 6 800 752	3 000 000	-3 800 752
PUBLIC CONTRIBUTIONS	- 11 932 851		-11 932 851
URBAN SETTLE DEVELOPMENT GRANT	- 57 499 976	7 007 927	-50 492 049
SERVICE CHARGES	-2 719 965 155	249 443 634	- 2 470 521 521
SALE OF ELECTRICITY - CONVENTIONAL	-1 838 765 170	402 867 688	- 1 435 897 482
SALE OF ELECTRICITY - PREPAID	- 927 951 919	- 75 041 735	- 1 002 993 654
SALES OF ELECTRICITY REVENUE FORGONE - MMM	71 000 000	-75 916 538	-4 916 538
CONTRA ACCOUNTS (FBE EXPENSE)	17 352 958	6 813 587	24 166 545
COST OF FREE BASIC SERVICES	- 41 601 024	-9 279 367	-50 880 391
INTEREST EARNED	- 24 064 504	- 12 903 262	- 36 967 766
OPERATIONAL REVENUE	- 5 045 501		- 5 045 501
OTHER INCOME	- 9 368 524	- 3 050 000	- 12 418 524
TOTAL INCOME	-2 834 677 263	243 498 298	-2 591 178 965

GAINS AND LOSSES PER SOURCE	ADJUSTMENT BUDGET 2020-21		
	APPROVED MTREF 2020-21	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET 2020-21
GAINS AND LOSSES	-360 201	243 183	-117 018
DISPOSAL OF FIXED AND INTANGIBLE ASSETS	-360 201	243 183	-117 018

Explanatory notes to the above Tables follow for line items with major changes.

b) OPERATING EXPENDITURE BY TYPE:

EXPENDITURE PER TYPE	ADJUSTMENT BUDGET 2020-21		
	APPROVED MTREF 2020-21	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET 2020-21
EMPLOYEE SALARIES AND WAGES	369 359 817	10 291 442	379 653 425
REMUNERATION OF DIRECTORS	1 831 818	-485 258	1 346 560
CONTRACTED SERVICES	126 998 812	-421 666	126 577 146
OPERATIONAL COST	69 862 181	-18 694 679	51 167 502
INVENTORY	30 334 813	-6 057 345	24 277 468
BULK PURCHASES	1 641 072 238	84 168 498	1 725 240 736
FINANCE LEASES	56 654		56 654
CONTRIBUTION TO MMM	120 000 000	-70 000 000	50 000 000
OPERATING LEASES	2 106 776	237 563	2 344 339
DEPRECIATION AND AMORTISATION	74 148 250	-30 383 566	43 764 684
BAD DEBTS WRITTEN OFF	9 297 599	-905 502	8 392 097
TOTAL EXPENDITURE	2 445 068 958	-32 250 513	2 412 820 611

c) **INTERNAL FUNDING PROJECTS:**

INTERNAL FUNDING PROJECTS	ADJUSTMENT BUDGET 2020-21		
	APPROVED MTREF 2020-21	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET 2020-21
CAPITAL GRANTS AND SUBSIDIES BEFORE GRANTS AND SUBSIDIES	- 389 968 506	211 490 968	- 178 475 372
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	57 499 976	-7 007 927	50 492 049
PUBLIC CONTRIBUTION CONNECTIONS	11 932 851	-	11 932 851
SURPLUS AFTER CAPITAL GRANTS AND SUBSIDIES	- 320 535 679	204 483 041	- 116 050 472
INTERNAL FUNDING PROJECTS OUT OF SURPLUS	100 292 174	15 000 000	115 292 174
SUPPORT PROJECTS:	22 720 540	12 772 910	35 493 450
UPGRADE & REFURB COMPUTER NETWORK	5 381 720		5 381 720
DIGITAL RADIO SYSTEM	1 000 000	-1 000 000	
IMPLEMBUSINESS CONT DISASTER RECOV INFRASTRUCTURE	3 292 880		3 292 880
COMPUTER EQUIPMENT (COVID-19)	1 500 000		1 500 000
VEHICLES	5 000 000	15 000 000	20 000 000
BULK SMART METER INSTALLATIONS	1 227 090	-1 227 090	
OFFICE BUILDING	2 214 675		2 214 675
FURNITURE AND OFFICE EQUIPMENT	218 997		218 997
SECURITY EQUIPMENT (CCTV)	2 026 214		2 026 214
TRAINING & DEVELOPMENT	858 964		858 964
SERVICE DELIVERY PROJECTS:	46 700 120	2 227 090	48 927 210
INSTALLATION OF OF PREPAID METERS (INDIGENTS)	61 258		61 258
SERVITUDES AND LAND	581 559		581 559
METER REPLACEMENT PROJECT	10 460 000	2 227 090	12 687 090
INSTALLATION OF PUBLIC LIGHTING	5 000 000		5 000 000
EXTENSION AND UPGRADING OF THE 11KV	5 000 000		5 000 000
SHIFTING OF CONNECTION AND REPLACEMENT SERVICES	597 303		597 303
UPGRADING AND EXTENTION OF LV NETWORK	3 000 000		3 000 000
REFURBISHMENT OF HIGH MAST LIGHTS	6 000 000		6 000 000
BOTSHABELO: ESTABLISHMENT OF 132KV CONNECTION (VAALKRAAL)	5 000 000		5 000 000
TRANSFORMER REPLACEMENT	5 000 000		5 000 000
BOTSHABELO: ESTABLISHMENT OF 132KV CONNECTION (INDUSTRIAL)	5 000 000		5 000 000
SOLAR FARM GENERATION PLANT	1 000 000		1 000 000
REFURBISHMENT PROJECTS:	23 871 514		23 871 514
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	1 500 000		1 500 000
REP BRITTLE OVERHEAD CONNECTIONS	750 000		750 000
REMEDIAL WORK 132KV SOUTHERN LINES	1 000 000		1 000 000
REPLACEMENT OF 11KV SWITCHGEARS	1 500 000		1 500 000
REPLACEMENT OF OIL PLANT	521 514		521 514
REPLACEMENT OF POLE MOUNTED TRANSFORMER	3 500 000		3 500 000
REP 2 & 4 WAY FIBREGLAS BOX (BOTS % TBAN)	1 000 000		1 000 000
REPLACEMENT OF 32V BATTERIES	100 000		100 000
REPLACEMENT OF 110V BATTERIES	1 500 000		1 500 000
REPAIRS OF MANGAUNG DISTRIBUTION CENTRE	4 500 000		4 500 000
REPAIRS OF VISTA DISTRIBUTION CENTRE	5 000 000		5 000 000
REFURBISHMENT OF PROTECTION AND SCADA SYSTEMS	3 000 000		3 000 000
INTERNAL ELECTRIFICATION PROJECTS:	7 000 000		7 000 000
ELECTRIFICATION PROJECTS	7 000 000		7 000 000
(SURPLUS) / DEFICIT AFTER INTERNAL FUNDING PROJECTS	- 220 243 505	219 483 041	- 758 298

a) **Major Adjustments as per Revenue by Source is as follows:**

1. Service Charges

There is a downward adjustment on Service Charges by R 249,443 million. This downward movement is mainly attributable to customers heading to energy conservation and the economic downturn due to Covid19.

b) **Major Adjustments as per Operating Expenditure by Type is as follows:**

1. Employee related cost

There is an upward adjustment by R 10,291 million. Due to salary adjustment of 6.5% for General Managers not budgeted for, CPI of 4.5% for Executives emanating from 2019/20 and filling of vacant posts.

2. Remuneration of Directors

There is a downward adjustment by R 482,258 on remuneration of Directors. The Board of Directors were only appointed towards mid-year.

3. Contracted Services

There is a downward adjustment by R 421,666 on contracted services. The main reason is due to the majority of contracts that expired during lock down.

4. Operational Costs & Inventory

There is a downward adjustment by R 18,694 million on Operating cost and R 6,057 million on Inventory. The reason is due to declining revenue.

5. Bulk Purchases

There is an upward adjustment by R 84,168 million on Bulk Purchases. Bulk Purchases was under budgeted.

6. Contribution to MMM (Transfer and Subsidies)

The interest on dividends has been adjusted downwards by R 70,000 million. The reason for the decrease is due to cash flow constraints.

1.3.2 SUMMARY OF STATEMENT OF CAPITAL EXPENDITURE

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - 31/12/2020										
Description	Budget Year 2020/21							Budget Year +1	Budget Year +2	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
R thousands	A	A1	B	C	D	E	F	G		
Capital expenditure by Asset Class/Sub-class										
Infrastructure	140 758		7 992				7 992	148 750	101 643	107 673
Electrical Infrastructure	140 758		7 992				7 992	148 750	101 643	107 673
Power Plants	1 000							1 000	1 048	1 098
HV Substations	8 526							8 526	3 695	3 873
HV Transmission Conductors	1 000							1 000	1 048	1 098
MV Networks	28 349							28 349	24 469	25 644
LV Networks	101 883		7 992				7 992	109 875	71 382	75 980
Community Assets	12 574							12 574	5 221	3 376
Community Facilities	11 715							11 715	4 321	2 432
Sport and Recreation Facilities	859							859	900	943
Computer Equipment	10 175							10 175	10 660	11 169
Furniture and Office Equipment	219							219	230	241
Machinery and Equipment	1 000							1 000	1 048	1 098
Transport Assets	5 000							5 000	5 240	5 492
National Government	57 500							57 500	24 869	27 214
Provincial Government										
Parent Municipality										
District Municipality	11 933							11 933	12 506	13 106
Transfers recognised - capital	69 433							69 433	37 374	40 320
Borrowing										
Internally generated funds	100 292		7 992				7 992	108 284	86 667	88 728
Total Capital Funding	169 725		7 992				7 992	177 717	124 041	129 048

c) Major Capital Expenditure adjustments by Project Type is as follows:

1. USDG

- There is a downward adjustment on USDG by R 7,007 million. The reason for the downwards adjustment is to align Centlec with MMM budget.

2. Internal Funding

- There is an upward adjustment on internal funding by R 15,000 million. The reason for the upward adjustment is to purchase new vehicles.

1.4 ADJUSTMENT BUDGET STATEMENT TABLES

E1: Adjustment Budget Summary

Centec - Table E1 Adjustments Budget Summary - 31/12/2020

Description	Budget Year 2020/21							Budget Year +1	Budget Year +2	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G		
Financial Performance										
Property rates										
Service charges	2 724 359		(246 444)				(246 444)	2 477 915	2 793 128	2 926 974
Investment revenue	4 507		670				670	5 177	4 723	4 950
Transfers recognised - operational										
Other own revenue	36 739		9 283				9 283	46 022	38 503	40 351
Total Revenue (excluding capital transfers and contributions)	2 765 605		(236 490)				(236 490)	2 529 114	2 836 354	2 972 275
Employee costs	369 360		10 291				10 291	379 651	395 215	422 880
Remuneration of Board Members	1 832		(485)				(485)	1 347	1 920	2 012
Depreciation and debt impairment	83 446		(31 289)				(31 289)	52 157	87 451	91 649
Finance charges	57							57	59	62
Materials and bulk purchases	1 671 407		78 111				78 111	1 749 518	1 751 633	1 862 709
Transfers and grants	120 000		(70 000)				(70 000)	50 000	120 000	120 000
Other expenditure	198 968		(18 633)				(18 633)	180 334	208 518	218 527
Total Expenditure	2 445 069		(32 005)				(32 005)	2 413 064	2 564 796	2 717 839
Surplus/(Deficit)	320 536		(204 485)				(204 485)	116 050	271 557	254 436
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)										
	57 500		(7 008)				214 777	272 277	24 869	27 214
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies -										
	11 933						(215 262)	(203 329)	12 506	13 106
Surplus/(Deficit) after capital transfers & contributions	389 969		(211 493)				(204 970)	184 998	308 932	294 756
Taxation							204 970	204 970		
Surplus/ (Deficit) for the year	389 969		(211 493)				(126 859)	1 544 548	308 932	294 756
Capital expenditure & funds sources										
Capital expenditure	169 725		7 992				7 992	177 717	124 041	129 048
Transfers recognised - capital	69 433							69 433	37 374	40 320
Borrowing										
Internally generated funds	100 292		7 992				7 992	108 284	86 667	88 728
Total sources of capital funds	169 725		7 992				7 992	177 717	124 041	129 048
Financial position										
Total current assets	1 001 771		130 764				130 764	1 132 535	1 047 853	1 096 054
Total non current assets	4 431 099		3 720 443				3 720 443	8 151 542	4 641 840	4 862 665
Total current liabilities	698 572		195 745				195 745	894 318	730 707	764 319
Total non current liabilities	654 341		910 201				910 201	1 564 542	685 749	718 665
Community wealth/Equity	4 079 957		2 745 260				2 745 260	6 825 217	4 273 237	4 475 735
Cash flows										
Net cash from (used) operating	216 025		45 623				45 623	261 648	172 537	135 762
Net cash from (used) investing	(164 284)		(7 776)				(7 776)	(172 059)	(119 954)	(124 793)
Net cash from (used) financing	(4 333)							(4 333)	(4 629)	(4 842)
Cash/cash equivalents at the year end	127 352		37 848				37 848	165 199	133 210	139 337

E2: Adjustment Budget – Financial Performance (Revenue & Expenditure)

Centlec - Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - 31/12/2020											
Description	Budget Year 2020/21								Budget Year +1	Budget Year +2	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
	A	1	2	3	4	5	6	7			
R thousands	A	A1	B	C	D	E	F	G			
Revenue By Source											
Property rates											
Service charges - electricity revenue	2 724 359		(246 444)				(246 444)	2 477 915	2 793 128	2 926 974	
Service charges - water revenue											
Service charges - sanitation revenue											
Service charges - refuse revenue											
Rental of facilities and equipment											
Interest earned - external investments	4 507		670				670	5 177	4 723	4 950	
Interest earned - outstanding debtors	13 107		12 233				12 233	25 341	13 737	14 396	
Dividends received											
Fines, penalties and forfeits	6 801		(3 000)				(3 000)	3 801	7 127	7 469	
Licences and permits											
Agency services											
Transfers and subsidies											
Other revenue	16 471		50				50	16 521	17 261	18 090	
Gains	360		0				0	360	377	396	
Total Revenue (excluding capital transfers and contributions)	2 765 605		(236 490)				(236 490)	2 529 114	2 836 354	2 972 275	
Expenditure By Type											
Employee related costs	369 360		10 291				10 291	379 651	395 215	422 880	
Remuneration of Directors	1 832		(485)				(485)	1 347	1 920	2 012	
Debt impairment	9 298		(906)				(906)	8 392	9 744	10 212	
Depreciation & asset impairment	74 148		(30 384)				(30 384)	43 765	77 707	81 437	
Finance charges	57							57	59	62	
Bulk purchases	1 641 072		84 168				84 168	1 725 241	1 719 844	1 829 396	
Other materials	30 335		(6 057)				(6 057)	24 277	31 789	33 313	
Contracted services	126 999		(422)				(422)	126 577	133 095	139 483	
Transfers and subsidies	120 000		(70 000)				(70 000)	50 000	120 000	120 000	
Other expenditure	71 969		(18 457)				(18 457)	53 512	75 423	79 044	
Losses			245				245	245			
Total Expenditure	2 445 069		(32 005)				(32 005)	2 413 064	2 564 796	2 717 839	
Surplus/(Deficit)	320 536		(204 485)				(204 485)	116 050	271 557	254 436	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	57 500		(7 008)				(7 008)	50 492	24 869	27 214	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	11 933							11 933	12 506	13 106	
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) before taxation	389 969		(211 493)				(211 493)	178 475	308 932	294 756	
Taxation											
Surplus/ (Deficit) for the year	389 969		(211 493)				(211 493)	178 475	308 932	294 756	

E3: Adjustment Budget – Capital Expenditure

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - 31/12/2020

Description	Budget Year 2020/21								Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
R thousands	A	A1	B	C	D	E	F	G		
Capital expenditure by Asset Class/Sub-class										
Infrastructure	140 758		7 992				7 992	148 750	101 643	107 673
Electrical Infrastructure	140 758		7 992				7 992	148 750	101 643	107 673
Power Plants	1 000							1 000	1 048	1 098
HV Substations	8 526							8 526	3 695	3 873
HV Transmission Conductors	1 000							1 000	1 048	1 098
MV Networks	28 349							28 349	24 469	25 644
LV Networks	101 883		7 992				7 992	109 875	71 382	75 960
Community Assets	12 574							12 574	5 221	3 376
Community Facilities	11 715							11 715	4 321	2 432
Sport and Recreation Facilities	859							859	900	943
Computer Equipment	10 175							10 175	10 660	11 169
Furniture and Office Equipment	219							219	230	241
Machinery and Equipment	1 000							1 000	1 048	1 098
Transport Assets	5 000							5 000	5 240	5 492
National Government	57 500							57 500	24 869	27 214
Provincial Government										
Parent Municipality										
District Municipality	11 933							11 933	12 506	13 106
Transfers recognised - capital	69 433							69 433	37 374	40 320
Borrowing										
Internally generated funds	100 292		7 992				7 992	108 284	86 667	88 728
Total Capital Funding	169 725		7 992				7 992	177 717	124 041	129 048

E4: Adjustment Budget – Financial Position

Centlec - Table E4 Adjustments Budget - Financial Position - 31/12/2020										
Description	Budget Year 2020/21								Budget Year +1	Budget Year
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	A1	B	C	D	E	F	G		
R thousands										
ASSETS										
Current assets										
Cash	61 140		22 979				22 979	84 119	63 953	66 895
Call investment deposits	66 211		(65 075)				(65 075)	1 136	69 257	72 443
Consumer debtors	780 621		107 301				107 301	887 921	816 529	854 089
Other debtors			64 083				64 083	64 083		
Current portion of long-term receivables										
Inventory	93 799		1 477				1 477	95 276	98 114	102 627
Total current assets	1 001 771		130 764				130 764	1 132 535	1 047 853	1 096 054
Non current assets										
Property, plant and equipment	4 090 781		2 716 203				2 716 203	6 806 984	4 285 868	4 490 318
Biological										
Intangible	86 237		12 833				12 833	99 070	90 204	94 353
Other non-current assets	254 080		991 407				991 407	1 245 487	265 768	277 993
Total non current assets	4 431 099		3 720 443				3 720 443	8 151 542	4 641 840	4 862 665
TOTAL ASSETS	5 432 870		3 851 207				3 851 207	9 284 077	5 689 692	5 958 719
LIABILITIES										
Current liabilities										
Bank overdraft										
Borrowing	24 257							24 257	25 373	26 540
Consumer deposits	100 627		19 653				19 653	120 279	105 256	110 097
Trade and other payables	538 824		176 093				176 093	714 917	563 610	589 536
Provisions	34 864							34 864	36 467	38 145
Total current liabilities	698 572		195 745				195 745	894 318	730 707	764 319
Non current liabilities										
Borrowing										
Provisions	654 341		910 201				910 201	1 564 542	685 749	718 665
Total non current liabilities	654 341		910 201				910 201	1 564 542	685 749	718 665
TOTAL LIABILITIES	1 352 913		1 105 947				1 105 947	2 458 860	1 416 456	1 482 984
NET ASSETS	4 079 957		2 745 260				2 745 260	6 825 217	4 273 237	4 475 735
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	1 424 153		(132 399)				(132 399)	1 291 755	1 741 138	2 061 845
Reserves	2 655 803		2 877 659				2 877 659	5 533 462	2 532 098	2 413 890
TOTAL COMMUNITY WEALTH/EQUITY	4 079 957		2 745 260				2 745 260	6 825 217	4 273 237	4 475 735

E5: Adjustment Budget – Cash Flows

Centlec - Table E5 Adjustments Budget - Cash Flows - 31/12/2020

Description	Budget Year 2020/21								Budget Year	Budget Year
	Original	Prior	Downward	Parent	Unfore.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	adjusts	muni.	Unavoid.	Adjusts.	Adjusts.	Budget	Budget	Budget
	1	2	3	4	5	6	7			
R thousands	A	A1	B	C	D	E	F	G		
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges										
Other revenue	2 668 052		(438 166)				(438 166)	2 229 886	2 735 979	2 867 088
Transfers and Subsidies - Operational	13 982		1 124				1 124	15 106	14 653	15 356
Transfers and Subsidies - Capital										
Interest	69 433		(7 008)				(7 008)	62 425	37 374	40 320
Dividends	17 086		10 380				10 380	27 466	17 906	18 765
Payments										
Suppliers and employees	(2 432 471)		409 293				409 293	(2 023 178)	(2 513 315)	(2 685 705)
Finance charges	(57)							(57)	(59)	(62)
Dividends paid	(120 000)		70 000				70 000	(50 000)	(120 000)	(120 000)
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES	216 025		45 623				45 623	261 648	172 537	135 762
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	349		(23)				(23)	326	366	384
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets	(164 633)		(7 752)				(7 752)	(172 386)	(120 320)	(125 177)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(164 284)		(7 776)				(7 776)	(172 059)	(119 954)	(124 793)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits	(4 333)							(4 333)	(4 629)	(4 842)
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 333)							(4 333)	(4 629)	(4 842)
NET INCREASE/ (DECREASE) IN CASH HELD	47 407		37 848				37 848	85 255	47 954	6 128
Cash/cash equivalents at the year begin:	79 944								85 255	133 210
Cash/cash equivalents at the year end:	127 352		37 848				37 848	85 255	133 210	139 337

SE1: Measurable Performance Targets

Centlec - Supporting Table SE1 Adjustments Budget - measurable performance targets - 31/12/2020			
Performance target description	Budget Year	Budget Year +1 2021/22	Budget Year +2 2022/23
	Adjusted Budget	Adjusted Budget	Adjusted Budget
Complete 1550 household connections identified for electrification in the MMM area by 30 June 2021.		Complete 1550 household connections identified for electrification in the MMM area by 30 June 2022.	Complete 1550 household connections identified for electrification in the MMM area by 30 June 2023.
Erection of 23 high mast lights within Mangaung by 30 June 2021		Erection of 23 high mast lights within Mangaung by 30 June 2022	Erection of 23 high mast lights within Mangaung by 30 June 2023
480 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2020 to 30 June 2021.		480 kilometers of 132kV lines inspections based on the maintenance plan from 1 st July 2021 to 30 June 2022.	480 kilometers of 132kV lines inspections based on the maintenance plan from 1 st July 2022 to 30 June 2023.
346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2020 to 30 June 2021.		346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2021 to 30 June 2022.	346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2022 to 30 June 2023.
504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2020 to 30 June 2021.		504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2021 to 30 June 2022.	504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2022 to 30 June 2023.
Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2021		Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2022	Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2023
Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020.		Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020.	Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 048 by 30 June 2020.
Installed capacity of embedded generators on the Municipal Distribution Network		Installed capacity of embedded generators on the Municipal Distribution Network	Installed capacity of embedded generators on the Municipal Distribution Network

SE 2 – Financial and Non-Financial Indicators

Centlec - Supporting Table SE2 Adjustments Budget - financial and non-financial indicators - 31/12/2020					
Description of financial indicator	Basis of calculation	Budget Year 2020/21		Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management					
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total	0%	0%	0%	0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating	3%	2%	3%	3%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl.	0%	0%	0%	0%
Safety of Capital					
Debt to Equity	Loans, Accounts Payable, Overdraft &	33%	36%	33%	33%
Gearing	Long Term Borrowing/ Funds &	0%	0%	0%	0%
Liquidity					
Current Ratio	Current assets/current liabilities	143%	127%	143%	143%
Current Ratio adjusted for debtors	Current assets/current liabilities less	143%	127%	67%	0%
Liquidity Ratio	Monetary Assets/Current Liabilities	18%	10%	18%	18%
Revenue Management					
Annual Debtors Collection Rate (Payment	Last 12 Mths Receipts/ Last 12 Mths	0%	0%	0%	0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual	28%	38%	29%	29%
Longstanding Debtors Reduction Due To	Debtors > 12 Mths Recovered/Total	0%	0%	0%	0%
Creditors Management					
Creditors System Efficiency	% of Creditors Paid Within Terms				
Funding of Provisions					
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions				
Other Indicators					
Electricity Distribution Losses	% Volume (Total units purchased +	11.50%	11.50%	11.50%	11.50%
Employee costs	Employee costs/Total Revenue -	13%	15%	14%	14%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0%	0%	0%	0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	3%	2%	3%	3%
Financial viability indicators					
i. Debt coverage	(Total Operating Revenue - Operating	0%	0%	0%	0%
ii. O/S Service Debtors to Revenue	Total outstanding service	29%	32%	29%	29%
iii. Cost coverage	(Available cash + Investments)/monthly	100%	67%	100%	100%

SE3 – Investment Portfolio

Centlec - Supporting Table SE3 Adjustments Budget - investment Portfolio - 31/12/2020								
Investments by maturity Name of institution & investment ID	Budget Year 2020/21							
	Period of investment	Type of investment	Expiry date of investment	Accrued interest for the	Yield %	Market value		
R thousands	Months					Begin	Change	End
ABSA - 1 Day Account	February 2013	Call Account			6%	25	4 482	4 507
Total investments						25	4 482	4 507

SE4 – Board Member allowances and staff benefits

Centlec - Supporting Table SE4 Adjustments Budget - board member allowances and staff benefits - 31/12/2020

Summary of Employee and Board Member remuneration	Budget Year 2020/21								Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9		
R thousands	A	A1	B	C	D	E	F	G		
Remuneration										
Board Members of Entities										
Basic Salaries	1 832		(485)				(485)	1 347	1 920	2 012
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Other benefits and allowances										
In-kind benefits										
Board Fees										
Sub Total - Board Members of Entities	1 832		(485)				(485)	1 347	1 920	2 012
Senior Managers of Entities										
Basic Salaries	12 953							12 953	13 859	14 829
Pension Contributions	456							456	487	522
Medical Aid Contributions	116							116	124	133
Motor vehicle allowance	539							539	577	617
Cell phone allowance	129							129	138	147
Housing allowance										
Other benefits or allowances										
Performance Bonus										
In-kind benefits										
Sub Total - Senior Managers of Entities	14 192							14 192	15 186	16 249
Other Staff of Entities										
Basic Salaries	211 224		5 935				5 935	217 159	226 010	241 831
Pension Contributions	34 000		3 502				3 502	37 502	36 380	38 926
Medical Aid Contributions	31 453		(9 668)				(9 668)	21 785	33 655	36 011
Motor vehicle allowance	18 328		3 780				3 780	22 108	19 611	20 984
Cell phone allowance	876		(78)				(78)	798	937	1 003
Housing allowance	1 357		109				109	1 466	1 452	1 554
Overtime	1 758		27 744				27 744	29 501	1 881	2 012
Performance Bonus	15 666		(30 556)				(30 556)	(14 890)	16 762	17 936
Other benefits or allowances	40 505		10 294				10 294	44 015	43 341	46 375
In-kind benefits										
Sub Total - Other Staff of Entities	355 167		11 062				11 062	359 446	380 029	406 631
Total Municipal Entities remuneration	371 192		10 577				10 577	374 985	397 135	424 892

SE5 – Monthly Cash and Revenue / Expenditure

Centlec - Supporting Table SE5 Adjustments Budget - monthly cash and revenue/expenditure - 31/12/2020																
Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
	July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Revenue By Source																
Property rates																
Service charges - electricity revenue	250 443	232 088	223 012	179 379	182 725	183 134	172 080	172 080	172 080	223 012	220 719	267 162	2 477 915	2 806 709	2 941 207	
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue																
Rental of facilities and equipment																
Interest earned - external investments	431	431	431	431	431	431	431	431	431	431	431	431	5 177	4 723	4 950	
Interest earned - outstanding debtors	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	2 112	25 341	13 737	14 366	
Fines, penalties and forfeits	317	317	317	317	317	317	317	317	317	317	317	317	3 801	7 127	7 489	
Transfers and subsidies	5 202	5 202	5 202	5 202	5 202	5 202	5 202	5 202	5 202	5 202	5 202	5 202	62 425	37 374	40 320	
Other revenue	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	1 377	16 521	21 866	22 915	
Gains	30	30	30	30	30	30	30	30	30	30	30	30	362	377	396	
Total Revenue (excluding capital transfers and contributions)	259 911	241 556	232 481	188 846	192 194	192 603	181 549	181 549	181 549	232 481	230 187	276 630	2 591 541	2 891 914	3 031 654	
Expenditure By Type																
Employee related costs	31 638	31 638	31 638	31 638	31 638	31 638	31 638	31 638	31 638	31 638	31 638	31 638	379 651	395 215	422 880	
Remuneration of Board Members	112	112	112	112	112	112	112	112	112	112	112	112	1 347	1 920	2 012	
Debt impairment	699	699	699	699	699	699	699	699	699	699	699	699	8 392	9 744	10 212	
Depreciation & asset impairment	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	3 647	43 765	77 707	81 437	
Finance charges	5	5	5	5	5	5	5	5	5	5	5	5	57	59	62	
Dividends paid	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	4 167	50 000	120 000	120 000	
Bulk purchases	174 370	161 590	155 272	124 892	127 222	127 506	119 810	119 810	119 810	155 272	153 675	186 011	1 725 241	1 738 030	1 848 455	
Other materials	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	2 023	24 277	31 789	33 313	
Contracted services	10 548	10 548	10 548	10 548	10 548	10 548	10 548	10 548	10 548	10 548	10 548	10 548	128 577	133 095	139 483	
Other expenditure	4 459	4 459	4 459	4 459	4 459	4 459	4 459	4 459	4 459	4 459	4 459	4 459	53 512	75 423	79 044	
Losses	20	20	20	20	20	20	20	20	20	20	20	20	245			
Total Expenditure	231 688	218 909	212 590	182 211	184 540	184 825	177 129	177 129	177 129	212 590	210 993	243 329	2 413 064	2 582 982	2 736 898	
Capital expenditure																
Capital assets	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	177 717	124 041	129 048	
Total capital expenditure	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	14 810	177 717	124 041	129 048	
Cash flow																
Property rates	225 398	208 879	200 711	161 441	164 453	164 821	154 872	154 872	154 872	200 711	198 647	240 446	2 230 124	2 735 979	2 867 088	
Service charges	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	1 239	14 869	14 653	15 356	
Other revenue													62 425	37 374	40 320	
Transfers and Subsidies			15 606										15 606	27 466	17 906	
Interest	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	27 466	17 906	18 765	
Suppliers, employees and other	(204 482)	(189 496)	(182 066)	(146 460)	(149 192)	(149 526)	(140 501)	(140 501)	(140 501)	(182 066)	(180 213)	(218 133)	(2 023 178)	(2 513 315)	(2 685 705)	
Finance charges	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(57)	(59)	(62)	
Dividends	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(4 167)	(50 000)	(120 000)	(120 000)	
NET CASH FROM/(USED) OPERATING ACTIVITIES	20 272	18 739	33 588	14 337	14 617	30 257	13 728	13 728	13 728	29 334	17 982	17 790	261 648	172 537	135 762	
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
Proceeds on disposal of PPE	27	27	27	27	27	27	27	27	27	27	27	27	326	366	384	
Capital assets	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(14 365)	(172 386)	(120 320)	(125 177)	
NET CASH FROM/(USED) INVESTING ACTIVITIES	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(14 338)	(172 059)	(119 954)	(124 793)	
Borrowing long term/refinancing/short term																
Repayment of borrowing																
Increase in consumer deposits	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(4 333)	(4 629)	(4 842)	
NET CASH FROM/(USED) FINANCING ACTIVITIES	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(361)	(4 333)	(4 629)	(4 842)	
NET INCREASE/ (DECREASE) IN CASH HELD	5 573	4 040	18 888	(362)	(82)	15 558	(971)	(971)	(971)	14 635	3 282	3 091	22 576	85 255	47 954	6 128

SE6 (a) – Capital expenditure on new assets

Centec - Supporting Table SE6a Adjustments capital expenditure on new assets by asset category - 31/12/2020										
Description	Budget Year 2020/21							Budget Year +1	Budget Year	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
R thousands	A	A1	B	C	D	E	F	G		
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure	109 812		(4 781)			(2 800)	(7 581)	102 231	69 211	73 685
Electrical Infrastructure	109 812		(4 781)			(2 800)	(7 581)	102 231	69 211	73 685
Power Plants	1 000							1 000	1 048	1 098
HV Substations	7 026							7 026	2 123	2 225
MV Networks	12 000							12 000	7 336	7 688
LV Networks	89 786		(4 781)			(2 800)	(7 581)	82 205	58 704	62 674
Community Assets	12 574					15 700	15 700	28 274	5 221	3 376
Community Facilities	11 715					15 700	15 700	27 415	4 321	2 432
Outdoor Facilities	859							859	900	943
Computer Equipment	10 175							10 175	10 660	11 169
Computer Equipment	10 175							10 175	10 660	11 169
Furniture and Office Equipment	219							219	230	241
Furniture and Office Equipment	219							219	230	241
Machinery and Equipment	1 000		(1 000)				(1 000)		1 048	1 098
Machinery and Equipment	1 000		(1 000)				(1 000)		1 048	1 098
Transport Assets	5 000		15 000				15 000	20 000	5 240	5 492
Transport Assets	5 000		15 000				15 000	20 000	5 240	5 492
Total Capital Expenditure on new assets to be adjusted	138 779		9 219			12 900	22 119	160 898	91 610	95 060

SE6(b) – Capital expenditure on existing assets by asset category

Centlec - Supporting Table SE6b Adjustments capital expenditure on renewal of existing assets by asset category - 31/12/2020										
Description	Budget Year 2020/21								Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	R thousands	A	A1	B	C	D	E	F	G	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure	12 424							12 424	13 021	13 646
Electrical Infrastructure	12 424							12 424	13 021	13 646
Power Plants										
HV Substations	1 500							1 500	1 572	1 647
MV Networks	7 827							7 827	8 203	8 597
LV Networks	3 097							3 097	3 246	3 402
Total Capital Expenditure on renewal of existing assets to be adjusted	12 424							12 424	13 021	13 646

SE6(c) – Expenditure on Repairs and maintenance by asset category

Centlec - Supporting Table SE6c Adjustments expenditure on repairs and maintenance by asset category - 31/12/2020										
Description	Budget Year 2020/21							Budget Year +1	Budget Year	
	Original Budget	Prior Adjusted	Downward adjustis	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
	R thousands	A	A1	B	C	D	E	F	G	
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure	28 668		(12 119)				(12 119)	16 549	29 987	31 366
Power Plants	2 323		(1 389)				(1 389)	934	2 430	2 542
HV Substations	26 345		(10 730)				(10 730)	15 615	27 557	28 824
Operational Buildings	4 974		(3 156)				(3 156)	1 818	5 203	5 442
Municipal Offices	4 974		(3 156)				(3 156)	1 818	5 203	5 442
Machinery and Equipment										
Transport Assets	13 964		(1 624)				(1 624)	12 340	14 607	15 279
Transport Assets	13 964		(1 624)				(1 624)	12 340	14 607	15 279
Total Repairs and maintenance expenditure to be adjusted	47 607		(16 899)				(16 899)	30 708	49 797	52 087

SE6 (d) – Depreciation by asset category

Centlec - Supporting Table SE6d Adjustments Depreciation by asset category - 31/12/2020

Description	Budget Year 2020/21							Budget Year +1	Budget Year	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
		1	2	3	4	5	6	7		
R thousands	A	A1	B	C	D	E	F	G		
Depreciation by Asset Class/Sub-class										
Infrastructure	40 214		(22 481)				(22 481)	17 733	42 144	44 167
Power Plants										
HV Substations										
MV Networks										
LV Networks	40 214		(22 481)				(22 481)	17 733	42 144	44 167
Intangible Assets	3 723		(1 000)				(1 000)	2 723	3 902	4 089
Computer Software and Applications	3 723		(1 000)				(1 000)	2 723	3 902	4 089
Furniture and Office Equipment	11 267		(348)				(348)	10 919	11 808	12 375
Furniture and Office Equipment	11 267		(348)				(348)	10 919	11 808	12 375
Machinery and Equipment	359		(40)				(40)	319	376	394
Machinery and Equipment	359		(40)				(40)	319	376	394
Transport Assets	18 586		(6 875)				(6 875)	11 711	19 478	20 413
Transport Assets	18 586		(6 875)				(6 875)	11 711	19 478	20 413
Total Depreciation to be adjusted	74 148		(30 384)				(30 384)	43 765	77 707	81 437

SE6 (e) Capital expenditure on upgrading of existing assets by asset category

Centlec - Supporting Table SE6e Adjustments capital expenditure on upgrading of existing assets by asset category - 31/12/2020										
Description	Budget Year 2020/21							Budget Year +1 2021/22	Budget Year +2 2022/23	
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7		
R thousands	A	A1	B	C	D	E	F	G		
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure	18 522							18 522	19 411	20 342
MV Networks	8 522							8 522	8 931	9 359
LV Networks	9 000							9 000	9 432	9 885
Total Capital Expenditure on upgrading of existing assets to be adjusted	18 522							18 522	19 411	20 342

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SE7 – List of Capital programmes and projects affected by the Adjustment Budget

Centlec - Supporting Table SE7 List of capital projects affected by Adjustments Budget - 31/12/2020					
R thousands		2020/21 Medium Term Revenue &			
Function	Project Description	Budget Year 2020/21	Adjusted Budget	Budget Year +1 2021/22	Budget Year +2 2022/23
Energy Sources	Capital:Infrastructure:Existing:Upgrading:Electrical Infrastructure:Hv Transmission	1 000	200	1 048	1 098
Energy Sources	Capital:Infrastructure:Existing:Upgrading:Electrical Infrastructure:Mv Networks	8 522	2 922	8 931	9 359
Energy Sources	Capital:Infrastructure:Existing:Upgrading:Electrical Infrastructure:Lv Networks	9 000	4 500	9 432	9 885
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Power Plants	1 000	1 000	1 048	1 098
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Hv Substations	7 026	7 026	2 123	2 225
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Mv Networks	12 000	12 000	7 336	7 688
Energy Sources	Capital:Infrastructure:New:Electrical Infrastructure:Lv Networks	89 786	82 205	58 704	62 674
Energy Sources	Capital:Non-Infrastructure:New:Computer Equipment	10 175	10 175	10 660	11 169
Energy Sources	Capital:Non-Infrastructure:New:Furniture And Office Equipment	219	219	230	241
Energy Sources	Capital:Non-Infrastructure:New:Machinery And Equipment	1 000		1 048	1 098
Energy Sources	Capital:Non-Infrastructure:New:Transport Assets	5 000	20 000	5 240	5 492
Energy Sources	Capital:Infrastructure:Existing:Renewal:Electrical Infrastructure:Hv Substations	1 500	1 500	1 572	1 647
Energy Sources	Capital:Infrastructure:Existing:Renewal:Electrical Infrastructure:Mv Networks	7 827	6 600	8 203	8 597
Energy Sources	Capital:Infrastructure:Existing:Renewal:Electrical Infrastructure:Lv Networks	3 097	1 097	3 246	3 402
Energy Sources	Capital:Non-Infrastructure:New:Community Assets:Community Facilities:Centres	11 715	27 415	4 321	2 432
Energy Sources	Capital:Non-Infrastructure:New:Community Assets:Sport And Recreation Facilities:Outdoor	859	859	900	943
Total Capital expenditure		169 725	177 717	124 041	129 048

CERTIFICATION

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

Signature 


Date 15/01/2021

CHIEF EXECUTIVE OFFICER CERTIFICATION

Chief Executive Officer's certification:

I Makefane Sepoko, Chief Executive Officer of CENTLEC (SOC) Ltd, hereby certify that the Adjustment Budget 2020/21 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the Regulations made under the Act, and that the Adjustments Budget 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 Makefane Sepoko
CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD

Signature 

Date 19/01/2021