



ADJUSTMENT BUDGET 2022-2023



TABLE OF CONTENTS

	PART 1 – ADJUSTMENTS BUDGET	
1.1	Chairperson’s Report	2-4
1.2	Resolutions	5
1.3	Executive Summary	6-12
	PART 2 – SUPPORTING DOCUMENTATION	
1.4	Adjustments Budget Statements Table	13-26
1.5	Chief Executive Officer Certification	27

PART 1 – ADJUSTMENT BUDGET

1.1 CHAIRPERSON'S REPORT

Introduction

The Board has considered management's recommendation to adjust the 2022/2023 budget and accordingly approve the entity's adjustment budget in terms of Sec 87(6) and (9) of the MFMA.

Background

(a) This adjustment budget is mainly informed by:

- A review of operational and capital needs guided by actual expenditure against available budget at the date of this adjustment budget assessment.
- A review of projects plans and their feasibility in the current financial year.
- An increase in repairs and maintenance expenditure needed due to larger than originally anticipated needs and network failures.

(b) No adjustments were made on revenue

Legislation

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

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 Revenue	3 583 520 551	27 276 390	(175 766 240)	3 435 030 701
Operating Expenditure	3 128 993 910	11 862 656	(56 718 200)	3 084 138 366
Surplus/Deficit	454 526 641	11 862 656	(56 718 200)	350 892 335
Gains & Losses	29 251 573			29 251 573
Surplus after Gains & Losses	425 275 068	11 862 656	(56 718 200)	321 640 762
Less: Capital Grants	20 000 000	27 276 390		47 276 390
Less: Public Contributions	14 300 000			14 300 000
Surplus after Funding & Losses	390 975 068	39 139 046	(56 718 200)	260 064 372
Less: Capital Expenditure Financing-Own Funds	230 925 272	16 500 000	(85 410 696)	162 014 576
Net (Surplus/Deficit)	160 049 796	55 639 046	(142 128 896)	98 049 796

CAPITAL BUDGET	APPROVED BUDGET	ADDITIONAL	REDUCED	ADJUSTMENT BUDGET
Own funding	230 925 272	16 500 000	(85 410 696)	162 014 576
Grants & Subsidies	20 000 000	27 276 390		47 276 390
Public Contributions	14 300 000			14 300 000
Total Capital Expenditure	265 225 272	43 776 390	(85 410 696)	223 590 966

Conclusion

Based on the details as outlined above and in terms of the Section 89 (9) of the MFMA, it is recommended that Council approve the Adjustment Budget as contained herein 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 31st May 2022) of the Entity's Operating Revenue will not be increased, Operating Expenditure be decreased from R 3,128 billion to R 3,084 billion and Capital Expenditure Budget be reduced from R 265,225 to R 223,590 million, The adjustment budget be approved/adopted for the 2022/23 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

As the world learns to live with COVID-19 without closing down economies, South Africa has had to deal with a range of new challenges: systemic supply chain disruptions, extensive global inflation and the beginnings of a global recession. These, together with ongoing local challenges such as power cuts, underperforming utilities and the devastating impacts of climate-related events, are weighing on South Africa's growth outlook.

Since the beginning of 2022, South Africa's headline inflation has been driven by global price increases in food and fuel. This has affected the cost of living drastically, with household spending growth estimated to be less than 3% in 2022. Higher prices have not only resulted in a cost-of-living squeeze but also reduced the competitiveness of South African exports. The negative effect on economic activity is compounded by elevated interest rates, which are postponing investment, expansion, and resultant hiring decisions.

The Adjustment Budget 2022/23 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 2022/23 budget focuses on allocation of resources to the following priorities.

- Increased operational and capital needs and requirements
- Critical repairs and maintenance of electrical network

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 BY SOURCE	ADJUSTMENT BUDGET 2022-23		
	APPROVED MTREF 2022-23	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET
FINES AND PENALTIES	(4 917 759)		(4 917 759)
PUBLIC CONTRIBUTIONS	(14 300 000)		(14 300 000)
URBAN SETTLEMENT DEVELOPMENT GRANT	(20 000 000)	(6 000 000)	(26 000 000)
SALE OF ELECTRICITY - CONVENTIONAL	(1 751 296 174)		(1 751 296 174)
SALE OF ELECTRICITY - PREPAID	(1 733 633 226)	175 766 240	(1 557 866 986)
ELEC: CONNec/RECON DISCONN/RECONN FEES	(9 917 542)		(9 917 542)
INTEREST EARNED	(34 335 298)		(34 335 298)
OTHER REVENUE	(15 120 552)		(15 120 552)
TOTAL INCOME	(3 583 520 551)	169 766 240	(3 413 754 311)

b) OPERATING EXPENDITURE BY TYPE:

EXPENDITURE BY SOURCE	ADJUSTMENT BUDGET 2022-23		
	APPROVED MTREF 2022-23	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET
EMPLOYEE SALARIES AND WAGES	428 694 699	-	428 694 699
CONTRACTED SERVICES	204 086 817	(11 959 582)	192 127 235
OPERATIONAL COST	98 120 233	2 512 388	100 632 621
INVENTORY - MATERIALS & SUPPLIES	52 595 327	7 900 268	60 495 595
BULK PURCHASES	2 145 935 055	(44 758 618)	2 101 176 437
INTEREST ON FINANCE LEASES	240 806	-	240 806
DIVIDENDS PAID	120 000 000	-	120 000 000
OPERATING LEASES	2 729 052	1 450 000	4 179 052
DEPRECIATION AND AMORTISATION	76 591 921	-	76 591 921
TOTAL EXPENDITURE	3 128 993 910	(44 855 544)	3 084 138 366

GAINS AND LOSSES PER SOURCE	APPROVED MTREF 2022-23	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET
GAINS AND LOSSES	29 251 573		29 251 573
INV - PHYSICAL & NET-REL VALUE LOSS/(GAINS)	(7 365 415)		(7 365 415)
IMPAIRMENT LOSS/(GAINS)	36 616 988		36 616 988

c) INTERNAL FUNDING PROJECTS:

INTERNAL FUNDING PROJECTS	ADJUSTMENT BUDGET 2022-23		
	APPROVED MTREF 2022-23	INCREASE/ (DECREASE)	ADJUSTMENT BUDGET
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	20 000 000	27 276 390	47 276 390
PUBLIC ELECTRICITY CONNECTIONS	14 300 000		14 300 000
SURPLUS AFTER CAPITAL GRANTS & SUBSIDIES	(390 975 068)	59 415 869	(260 064 372)
INTERNAL FUNDING PROJECTS OUT OF SURPLUS	230 925 272	(68 910 696)	162 014 576
SUPPORT PROJECTS:	99 802 617	(50 750 000)	49 052 617
VENDING BACK OFFICE	5 000 000	-	5 000 000
TRAINING & DEVELOPMENT	574 174	-	574 174
DIGITAL RADIO SYSTEM	3 000 000	(2 000 000)	1 000 000
IMPLEM BUSINESS CONT DISASTER RECOV INF	2 730 000	-	2 730 000
UPGRADE & REFURB COMPUTER NETWORK	5 390 000	-	5 390 000
BULK SMART METER INSTALLATION	239 593	-	239 593
VEHICLES	17 950 000	-	17 950 000
FURNITURE AND OFFICE EQUIPMENT	2 250 000	(1 000 000)	1 250 000
BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	8 000 000	(8 000 000)	-
BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	8 000 000	(8 000 000)	-
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	8 000 000	(8 000 000)	-
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	8 000 000	(8 000 000)	-
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	10 000 000	(10 000 000)	-
INFRA CATALYST PROJECTS	8 000 000	-	8 000 000
SECURITY EQUIPMENT	2 250 000	(750 000)	1 500 000
OFFICE BUILDING	8 418 850	(3 000 000)	5 418 850
PROTECTION TEST EQUIPMENT	2 000 000	(2 000 000)	-
SERVICE DELIVERY PROJECTS:	40 134 800	16 500 000	56 634 800
METER REPLACEMENT PROJECT	15 000 000	10 000 000	25 000 000
EXTENSION AND UPGRADING OF THE 11KV NETW	5 000 000	-	5 000 000
SERVITUDES LAND (INCL INVEST REMUNE REG	600 000	-	600 000
INSTALLATION OF PUBLIC LIGHTING	8 000 000	6 500 000	14 500 000
INSTALL PREPAID METERS (INDIGENT)	500 000	-	500 000
UPGRADING AND EXTENTION OF LV NETWORK	3 000 000	-	3 000 000
SHIFTING OF CONNECTION AND REPLACEMENT S	1 005 275	-	1 005 275
REFURBISHMENT OF HIGH MAST LIGHTS	7 029 525	-	7 029 525
REPAIRS AND MAINTENANCE PROJECTS:	19 500 000	(5 000 000)	14 500 000
BOTSHABELO: ESTABLISHMENT OF 132KV (INDU	5 000 000	(5 000 000)	-
INSTALLATION OF HIGH VOLTAGE TEST EQUIPMENT	2 500 000	-	2 500 000
TRANSFORMER REPLACE & OTHER RELATED EQUI	12 000 000	-	12 000 000
REFURBISHMENT PROJECTS	64 387 855	(29 660 696)	34 727 159
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	800 000	-	800 000
REP BRITTLE OVERHEAD CONNECTIONS	1 000 000	-	1 000 000
S/LIGHTS REPLACE POLE TRNS POLES SECTION	2 176 900	-	2 176 900
REPLACEMENT OF 110V BATTERIES	2 750 000	-	2 750 000
REPLACEMENT OF 11KV SWITCHGEARS	2 250 000	-	2 250 000
REPLACEMENT OF OIL PLANT	500 000	(500 000)	-
REPLACEMENT OF 32V BATTERIES	2 500 000	-	2 500 000
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000	-	1 000 000
REPAIR MMM DIST DIST CENTRE	12 247 311	(9 409 361)	2 837 950
REPAIR VISTA DIST DIST CENTRE	30 163 644	(19 751 335)	10 412 309
REMEDIAL WORK 132KV SOUTHERN LINES	9 000 000	-	9 000 000
INTERNAL ELECTRIFICATION PROJECTS:	7 100 000		7 100 000
ELECTRIFICATION INTERNAL PROJECTS	7 100 000		7 100 000
(SURPLUS) / DEFICIT FOR THE YEAR	(160 049 796)	(9 494 827)	(98 049 796)

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

a. Major Adjustments as per Revenue by Source is as follows:

Revenue decreased from R 3,583 billion to R 3,413 billion.

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

1. Contracted Services

There is a downward adjustment by R 11,959 million on contracted services. The main reason is to align the budget with the projected expected contracted services expenditure and for the maintenance and repairs of the dilapidated infrastructure.

2. Operational Costs

There is an upwards adjustment by R 2,512 million on Operating cost. The main reason is due to an increased need for protective uniform, insurance premiums, fuel, marketing and advertising.

3. Inventory

There is an upwards adjustment by R 7,900 million on Inventory. The main reason is due to an increased need for repairs and maintenance of electrical network to ensure stable and consistent electricity distribution.

4. Bulk Purchases

There is a downward adjustment by R 44,758 million on Bulk purchases. The main reason is due to loadshedding and customers converting to Solar.

5. Operating leases

There is an upwards adjusted by R 1,450 million on operating leases to accommodate the financing of new photo copier leases.

1.3.2 SUMMARY OF STATEMENT OF CAPITAL EXPENDITURE

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - M06 December

Description	Ref	Budget Year 2022/23							Budget Year +1	Budget Year	
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
R thousands	1	A	1	2	3	4	5	6	7		
Capital expenditure by Asset Class/Sub-class		A1	B	C	D	E	F	G			
Infrastructure		175 501		(6 250)			1 776	(4 474)	171 028	183 223	191 468
Electrical Infrastructure		175 501		(6 250)			1 776	(4 474)	171 028	183 223	191 468
Power Plants											
HV Substations		9 500		(5 750)				(5 750)	3 750	9 918	10 364
HV Switching Station											
HV Transmission Conductors		9 000							9 000	9 396	9 819
MV Substations											
MV Switching Stations											
MV Networks		31 090		(500)				(500)	30 590	32 458	33 918
LV Networks		125 912					1 776	1 776	127 688	131 452	137 367
Capital Spares											
Community Assets		51 404		(32 161)				(32 161)	19 243	53 666	56 081
Community Facilities		50 830		(32 161)				(32 161)	18 669	53 066	55 454
Halls											
Centres		50 830		(32 161)				(32 161)	18 669	53 066	55 454
Sport and Recreation Facilities		574							574	599	626
Indoor Facilities											
Outdoor Facilities		574							574	599	626
Computer Equipment		8 120							8 120	8 477	8 859
Computer Equipment		8 120							8 120	8 477	8 859
Furniture and Office Equipment		7 250		(1 000)				(1 000)	6 250	7 569	7 910
Furniture and Office Equipment		7 250		(1 000)				(1 000)	6 250	7 569	7 910
Machinery and Equipment		3 000		(2 000)				(2 000)	1 000	3 132	3 273
Machinery and Equipment		3 000		(2 000)				(2 000)	1 000	3 132	3 273
Transport Assets		19 950		(2 000)				(2 000)	17 950	20 828	21 765
Transport Assets		19 950		(2 000)				(2 000)	17 950	20 828	21 765
Total Capital Expenditure to be adjusted	1	265 225		(43 411)			1 776	(41 634)	223 591	276 895	289 355
Funded by:											
National Government		20 000					27 276	27 276	47 276	20 880	21 820
Provincial Government											
Parent Municipality											
District Municipality		14 300							14 300	14 929	15 601
Transfers recognised - capital		34 300					27 276	27 276	61 576	35 809	37 421
Borrowing	3										
Internally generated funds		230 925		(68 911)				(68 911)	162 015	241 086	251 935
Total Capital Funding	4	265 225		(68 911)			27 276	(41 634)	223 591	276 895	289 355

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

1. Internal Funding

There is an upwards adjustment on grants by 27,276 million and a downward adjustment by 68,911 on internal funding.

1.4 ADJUSTMENT BUDGET STATEMENT TABLES

E1: Adjustment Budget Summary

Centlec - Table E1 Adjustments Budget Summary - M06 December

Description	Budget Year 2022/23								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	2023/24	2024/25
R thousands	A	A1	B	C	D	E	F	G		
Financial Performance										
Property rates										
Service charges	3 494 847		(185 684)				(185 684)	3 309 163	3 648 620	3 812 808
Investment revenue	4 489							4 489	4 687	4 897
Transfers recognised - operational										
Other own revenue	59 550					9 918	9 918	69 468	62 170	64 968
Total Revenue (excluding capital transfers and contributions)	3 558 886					9 918	(175 766)	3 383 120	3 715 477	3 882 673
Employee costs	427 909							427 909	446 737	466 840
Remuneration of Board Members	785							785	820	857
Depreciation and debt impairment	115 509							115 509	120 591	126 018
Finance charges	241							241	56	
Inventory consumed and bulk purchases	2 198 580		(44 759)			7 850	(36 908)	2 161 672	2 295 318	2 398 607
Transfers and grants	120 000							120 000	120 000	120 000
Other expenditure	304 886		(11 975)			4 027	(7 947)	296 939	317 541	330 193
Total Expenditure	3 167 911		(56 733)			11 878	(44 856)	3 123 055	3 301 063	3 442 515
Surplus/(Deficit)	390 975		(128 951)			(1 960)	(130 911)	260 064	414 414	440 158
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	20 000					27 276	130 911	150 911	20 880	21 820
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	14 300						(130 911)	(116 611)	14 929	15 601
Surplus/(Deficit) after capital transfers & contributions	425 275		(128 951)			25 316	(130 911)	294 364	450 223	477 579
Taxation							130 911	130 911		
Surplus/ (Deficit) for the year	425 275		(128 951)			25 316	(167 819)	2 030 761	450 223	477 579
Capital expenditure & funds sources										
Capital expenditure	265 225		(43 411)			1 776	(41 634)	223 591	276 895	289 355
Transfers recognised - capital	34 300					27 276	27 276	61 576	35 809	37 421
Borrowing										
Internally generated funds	230 925		(68 911)			-	(68 911)	162 015	241 086	251 935
Total sources of capital funds	265 225		(68 911)			27 276	(41 634)	223 591	276 895	289 355
Financial position										
Total current assets	722 065							722 065	846 947	885 060
Total non current assets	7 728 789							7 728 789	7 867 355	8 013 396
Total current liabilities	872 965							872 965	990 114	1 034 669
Total non current liabilities	1 564 910							1 564 910	1 633 766	1 707 286
Community wealth/Equity	5 601 471							5 601 471	6 090 422	6 156 501
Cash flows										
Net cash from (used) operating	405 682							405 682	309 301	323 258
Net cash from (used) investing	(294 678)							(294 678)	(307 644)	(321 488)
Net cash from (used) financing										
Cash/cash equivalents at the year end	37 677							37 677	39 335	41 105

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

Centlec - Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2022/23							Budget	Budget	
		Original	Prior	Downward	Parent	Unfore.	Other	Total	Adjusted	Adjusted	
		Budget	Adjusted	adjusts	muni.	Unavoid.	Adjusts.	Adjusts.	Budget	Budget	
		1	2	3	4	5	6	7			
		A	A1	B	C	D	E	F	G		
R thousands											
Revenue By Source											
Property rates											
Service charges - electricity revenue		3 494 847		(185 684)				(185 684)	3 309 163	3 648 620	3 812 808
Interest earned - external investments		4 489							4 489	4 687	4 897
Interest earned - outstanding debtors		29 846							29 846	31 160	32 562
Dividends received											
Fines, penalties and forfeits		4 918							4 918	5 134	5 365
Licences and permits											
Agency services											
Transfers and subsidies											
Other revenue		15 121					9 918	9 918	25 038	15 786	16 496
Gains		9 665							9 665	10 091	10 545
Total Revenue (excluding capital transfers and contributions)		3 558 886		(185 684)			9 918	(175 766)	3 383 120	3 715 477	3 882 673
Expenditure By Type											
Employee related costs		427 909							427 909	446 737	466 840
Remuneration of Directors		785							785	820	857
Debt impairment		38 917							38 917	40 629	42 458
Depreciation & asset impairment		76 592							76 592	79 962	83 560
Finance charges		241							241	56	
Bulk purchases - electricity		2 145 935		(44 759)				(44 759)	2 101 176	2 240 356	2 341 172
Inventory consumed		52 645					7 850	7 850	60 496	54 962	57 435
Contracted services		204 102		(11 975)				(11 975)	192 127	213 082	222 671
Transfers and subsidies		120 000							120 000	120 000	120 000
Other expenditure		100 784					4 027	4 027	104 812	104 458	107 522
Losses											
Total Expenditure		3 167 911		(56 733)			11 878	(44 856)	3 123 055	3 301 063	3 442 515
Surplus/(Deficit)		390 975		(128 951)			(1 960)	(130 911)	260 064	414 414	440 158
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		20 000					27 276	27 276	47 276	20 880	21 820
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		14 300							14 300	14 929	15 601
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) before taxation		425 275		(128 951)			25 316	(103 634)	321 641	450 223	477 579
Taxation											
Surplus/ (Deficit) for the year		425 275		(128 951)			25 316	(103 634)	321 641	450 223	477 579

E3: Adjustment Budget – Capital Expenditure

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - M06 December

Description	Ref	Budget Year 2022/23								Budget Year +1 2023/24	Budget Year +2 2024/25
		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	1	A	A1	B	C	D	E	F	G		
Capital expenditure by Asset Class/Sub-class											
Infrastructure		175 501		(6 250)			1 776	(4 474)	171 028	183 223	191 468
Electrical Infrastructure		175 501		(6 250)			1 776	(4 474)	171 028	183 223	191 468
Power Plants											
HV Substations		9 500		(5 750)				(5 750)	3 750	9 918	10 364
HV Switching Station											
HV Transmission Conductors		9 000							9 000	9 396	9 819
MV Substations											
MV Switching Stations											
MV Networks		31 090		(500)				(500)	30 590	32 458	33 918
LV Networks		125 912					1 776	1 776	127 688	131 452	137 367
Capital Spares											
Community Assets		51 404		(32 161)				(32 161)	19 243	53 666	56 081
Community Facilities		50 830		(32 161)				(32 161)	18 669	53 066	55 454
Halls											
Centres		50 830		(32 161)				(32 161)	18 669	53 066	55 454
Sport and Recreation Facilities		574							574	599	626
Indoor Facilities											
Outdoor Facilities		574							574	599	626
Computer Equipment		8 120							8 120	8 477	8 859
Computer Equipment		8 120							8 120	8 477	8 859
Furniture and Office Equipment		7 250		(1 000)				(1 000)	6 250	7 569	7 910
Furniture and Office Equipment		7 250		(1 000)				(1 000)	6 250	7 569	7 910
Machinery and Equipment		3 000		(2 000)				(2 000)	1 000	3 132	3 273
Machinery and Equipment		3 000		(2 000)				(2 000)	1 000	3 132	3 273
Transport Assets		19 950		(2 000)				(2 000)	17 950	20 828	21 765
Transport Assets		19 950		(2 000)				(2 000)	17 950	20 828	21 765
Total Capital Expenditure to be adjusted	1	265 225		(43 411)			1 776	(41 634)	223 591	276 895	289 355
Funded by:											
National Government		20 000					27 276	27 276	47 276	20 880	21 820
Provincial Government											
Parent Municipality											
District Municipality		14 300							14 300	14 929	15 601
Transfers recognised - capital		34 300					27 276	27 276	61 576	35 809	37 421
Borrowing	3										
Internally generated funds		230 925		(68 911)				(68 911)	162 015	241 066	251 935
Total Capital Funding	4	265 225		(68 911)			27 276	(41 634)	223 591	276 895	289 355

E4: Adjustment Budget – Financial Position

Centlec - Table E4 Adjustments Budget - Financial Position - M06 December										
Description	Ref	Budget Year 2022/23							Budget Year	Budget Year
		Original	Prior	Downward	Parent	Unfore.	Other	Total	Adjusted	Adjusted
		Budget	Adjusted	adjusts	muni.	Unavoid.	Adjusts.	Adjusts.	Budget	Budget
		1	2	3	4	5	6	7		
		A	A1	B	C	D	E	F	G	
R thousands										
ASSETS										
Current assets										
Cash	1	36 900						36 900	38 524	40 257
Call investment deposits	1	777						777	811	848
Consumer debtors		601 127						601 127	627 558	655 798
Other debtors									78 739	82 282
Current portion of long-term receivables										
Inventory		83 260						83 260	101 315	105 875
Total current assets		722 065						722 065	846 947	885 060
Non current assets										
Long-term receivables										
Investments										
Investment property										
Investment in Associate										
Property, plant and equipment		6 408 353						6 408 353	6 495 716	6 587 010
Biological										
Intangible		92 826						92 826	90 315	87 691
Other non-current assets		1 227 610						1 227 610	1 281 324	1 338 695
Total non current assets		7 728 789						7 728 789	7 867 355	8 013 396
TOTAL ASSETS		8 450 854						8 450 854	8 714 302	8 898 456
LIABILITIES										
Current liabilities										
Bank overdraft	1									
Borrowing		26 464						26 464	27 629	28 872
Consumer deposits		124 918						124 918	131 446	137 361
Trade and other payables		683 548						683 548	791 331	826 941
Provisions		38 035						38 035	39 709	41 495
Total current liabilities		872 965						872 965	990 114	1 034 669
Non current liabilities										
Borrowing		-								
Provisions		1 564 910						1 564 910	1 633 766	1 707 286
Total non current liabilities		1 564 910						1 564 910	1 633 766	1 707 286
TOTAL LIABILITIES		2 437 875						2 437 875	2 623 880	2 741 955
NET ASSETS	2	6 012 979						6 012 979	6 090 422	6 156 501
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)		1 451 069						1 451 069	1 981 524	2 088 692
Reserves		4 150 402						4 150 402	4 108 898	4 067 809
TOTAL COMMUNITY WEALTH/EQUITY	2	5 601 471						5 601 471	6 090 422	6 156 501

E5: Adjustment Budget – Cash Flows

Centlec - Table E5 Adjustments Budget - Cash Flows - M06 December

Description	Ref	Budget Year 2022/23							Budget Year	Budget Year
		Original	Prior	Downward	Parent	Unfore.	Other	Total	Adjusted	Adjusted
		Budget	Adjusted	adjusts	muni.	Unavoid.	Adjusts.	Adjusts.	Budget	Budget
			1	2	3	4	5	6	7	
	A	A1	B	C	D	E	F	G		
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates										
Service charges		3 160 269						3 160 269	3 299 321	3 447 791
Other revenue		18 950						18 950	19 784	20 674
Transfers and Subsidies - Operational										
Transfers and Subsidies - Capital		60 300						60 300	62 953	65 786
Interest		25 412						25 412	26 530	27 724
Dividends										
Payments										
Suppliers and employees		(2 739 032)						(2 739 032)	(2 979 237)	(3 118 717)
Finance charges		(217)						(217)	(50)	
Dividends paid		(120 000)						(120 000)	(120 000)	(120 000)
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		405 682						405 682	309 301	323 258
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		329						329	343	359
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
Payments										
Capital assets		(295 007)						(295 007)	(307 987)	(321 846)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(294 678)						(294 678)	(307 644)	(321 488)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits										
Payments										
Repayment of borrowing										
NET CASH FROM/(USED) FINANCING ACTIVITIES										
NET INCREASE/ (DECREASE) IN CASH HELD		111 005						111 005	1 658	1 770
Cash/cash equivalents at the year begin:	8	88 751						88 751	90 409	92 179
Cash/cash equivalents at the year end:	8	37 677						111 005	39 335	41 105

SE1: Measurable Performance Targets

Centlec - Supporting Table SE1 Adjustments Budget - measurable performance targets - M06 December											
Performance target description	Unit of measurement	Budget Year 2022/23								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		
		A	A1	B	C	D	E	F	G		
Complete 800 household connections identified for electrification in the MMM area by 30 June 2023	Monthly, quarterly progress report and proof of payments	20 000							20 000	20 880	21 820
Erection of 10 high mast lights within Mangaung by 30 June 2023	Monthly, quarterly progress report and proof of payments	8 000							8 000	8 352	8 728
477.92 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2022 to 30th June 2023	Monthly, quarterly progress report and proof of payments										
346 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2022 to 30 June 2023	Monthly, quarterly progress report and proof of payments										
504 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2022 to 30 June 2023	Monthly, quarterly progress report and proof of payments										
Unplanned interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 047 (2019) by 30 June 2023	Monthly, quarterly progress report and proof of payments										
Planned scheduled interruptions of the supply should be restored as per NERSA license requirements in terms of NRS 047 (2019) - 4.5.5.1 by 30 June 2023.	Monthly, quarterly progress report and proof of payments										
Number of Installations of approved and commissioned embedded generators on the municipal distribution network by June 2023	Monthly, quarterly progress report and proof of payments										

SE 2 – Financial and Non-Financial Indicators

Centlec - Supporting Table SE2 Adjustments Budget - financial and non-financial indicators - M06 December						
Description of financial indicator	Basis of calculation	Ref	Budget Year 2022/23		Budget Year +1 2023/24	Budget Year +2 2024/25
			Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management						
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Interest & Depreciation /Operating Expenditure		0%	0%	0%	0%
Capital Charges to Operating Expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		2%	2%	2%	2%
Borrowed funding of capital expenditure			0%	0%	0%	0%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		44%	44%	43%	45%
Gearing	Long Term Borrowing/ Funds & Liquidity		0%	0%	0%	0%
Current Ratio	Current assets/current liabilities		83%	83%	86%	86%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		83%	83%	0%	0%
Liquidity Ratio	Monetary Assets/Current Liabilities		4%	4%	4%	4%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0%	0%	0%	0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		17%	17%	19%	19%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0%	0%	0%	0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
Funding of Provisions						
Percentage Of Provisions Not	Unfunded Provisions/Total					
Other Indicators						
Electricity Distribution Losses	% Volume (Total units purchased + generated less total units sold)/Total units purchased + generated	1	7%	7%	7%	6%
Water Distribution Losses	% Volume (Total units purchased + own source less total units sold)/Total units purchased + own source	2				
Employee costs	Employee costs/Total Revenue - capital revenue		12%	12%	12%	12%
Repairs & Maintenance	R&M/Total Revenue - capital		0%	0%	0%	0%
Interest & Depreciation	I&D/Total Revenue - capital		2%	2%	2%	2%
Financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		0%	0%	0%	0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		0%	0%	0%	0%

SE3 – Investment Portfolio

Centlec - Supporting Table SE3 Adjustments Budget - investment Portfolio - M06 December								
Investments by maturity Name of institution & investment ID	Budget Year 2022/23							
	Period of investment Months	Type of investment	Expiry date of investment	Accrued interest for the	Yield %	Market value		
						Begin	Change	End
R thousands								
ABSA - 1 Day Account	February 2013	Call Account	n/a			24 131	(24 075)	56
Total investments						24 131	(24 075)	56

SE4 – Board Member allowances and staff benefits

Centlec - Supporting Table SE4 Adjustments Budget - board member allowances and staff benefits - M06 December										
Summary of Employee and Board Member remuneration	Budget Year 2022/23								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	3	4	5	6	7	8	9		
R thousands										
Remuneration										
Board Members of Entities										
Basic Salaries	785							785	820	857
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	785							785	820	857
% increase								0.0%	4.4%	4.5%
Senior Managers of Entities										
Basic Salaries	12 130							12 130	12 664	13 234
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance	116							116	121	126
Housing allowance										
Other benefits or allowances										
Performance Bonus										
In-kind benefits										
Sub Total - Senior Managers of Entities	12 246							12 246	12 784	13 360
% increase								0.0%	4.4%	4.5%
Other Staff of Entities										
Basic Salaries	248 765							248 765	259 711	271 398
Pension Contributions	46 280							46 280	48 316	50 490
Medical Aid Contributions	42 859							42 859	44 745	46 758
Motor vehicle allowance	1 531							1 531	1 598	1 670
Cell phone allowance	746							746	778	813
Housing allowance	8 564							8 564	8 940	9 343
Overtime	33 155							33 155	34 614	36 171
Performance Bonus	19 551							19 551	20 411	21 330
Other benefits or allowances	14 214							14 214	14 840	15 507
In-kind benefits										
Sub Total - Other Staff of Entities	415 664							415 664	433 953	453 481
% increase								0.0%	4.4%	4.5%
Total Municipal Entities remuneration	428 695							428 695	447 557	467 697

SE5 – Monthly Cash and Revenue / Expenditure

Centlec - Supporting Table SE5 Adjustments Budget - monthly cash and revenue/expenditure - 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
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															
Service charges - electricity revenue	302 846	316 090	290 705	221 970	185 269	197 930	291 237	291 237	291 237	291 237	291 237	335 168	3 309 163	3 648 620	3 812 808
Interest earned - external investments	154	129	116	117	125	114	374	374	374	374	374	1 863	4 489	4 687	4 897
Interest earned - outstanding debtors	2 319	2 526	2 549	1 804	(4 220)	2 836	2 487	2 487	2 487	2 487	2 487	9 596	29 846	31 160	32 562
Dividends received															
Fines, penalties and forfeits	226	445	200	527	276	157	410	410	410	410	410	1 038	4 918	5 134	5 365
Other revenue	551	555	569	568	674	842	1 260	1 260	1 260	1 260	1 260	14 979	25 038	15 786	16 496
Gains				991			805	805	805	805	805	4 647	9 665	10 091	10 545
Total Revenue (excluding capital transfers and contributions)	306 095	319 744	294 139	225 977	185 125	201 878	296 574	296 574	296 574	296 574	296 574	367 292	3 383 120	3 715 477	3 882 673
Expenditure By Type															
Employee related costs	37 511	37 467	35 877	37 986	37 108	37 093	35 725	35 725	35 725	35 725	35 725	26 245	427 909	446 737	466 840
Remuneration of Board Members	10		5		14	9	65	65	65	65	65	420	785	820	857
Debt impairment	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	3 243	38 917	40 629	42 458
Depreciation & asset impairment	18 985	19 453	19 453	19 453	19 453	19 453	6 383	6 383	6 383	6 383	6 383	(71 573)	76 592	79 962	83 560
Finance charges	20	20	20	20	20	20	20	20	20	20	20	20	241	56	-
Bulk purchases - electricity	300 886	270 636	139 197	178 383	127 563	148 013	178 828	178 828	178 828	178 828	178 828	42 357	2 101 176	2 240 356	2 341 172
Inventory consumed	1 068	3 624	2 307	5 734	2 143	3 888	4 382	4 382	4 382	4 382	4 382	19 821	60 496	54 962	57 435
Contracted services	4 223	7 024	16 375	7 188	4 990	14 547	17 007	17 007	17 007	17 007	17 007	52 744	192 127	213 082	222 671
Transfers and subsidies		10 020										109 980	120 000	120 000	120 000
Other expenditure	2 111	11 964	8 553	9 323	11 797	10 500	8 405	8 405	8 405	8 405	8 405	8 548	104 812	104 458	107 522
Losses					9							(9)			
Total Expenditure	368 058	363 442	225 031	261 331	206 339	236 767	254 058	254 058	254 058	254 058	254 058	191 796	3 123 055	3 301 063	3 442 515
Capital expenditure															
Capital assets	6 355	9 517	10 644	21 022	9 054	7 912	22 102	22 102	22 102	22 102	22 102	48 577	223 591	276 895	289 355
Total capital expenditure	6 355	9 517	10 644	21 022	9 054	7 912	22 102	22 102	22 102	22 102	22 102	48 577	223 591	276 895	289 355
Cash flow															
Property rates															
Service charges	279 336	373 089	354 111	333 266	267 492	237 487	202 513	201 284	198 527	184 740	252 015	276 411	3 160 269	3 299 321	3 447 791
Other revenue	176	157	139	134	150	143	1 579	1 579	1 579	1 579	1 579	10 155	18 950	19 784	20 674
Transfers and Subsidies												60 300	60 300	62 953	65 786
Interest	667	1 269	1 324	3 078	1 110	570			15 075			2 318	25 412	26 530	27 724
Suppliers, employees and other	(223 411)	(309 920)	(391 286)	(295 098)	(256 232)	(257 388)	(191 008)	(189 849)	(187 248)	(174 245)	(282 190)	18 844	(2 739 032)	(2 979 237)	(3 118 717)
Finance charges	(655)		(741)	(297)	(1 663)	(710)	(18)	(18)	(18)	(18)	(18)	3 940	(217)	(50)	
Dividends		(10 000)					(10 000)	(10 000)	(10 000)	(10 000)	(10 000)	(60 000)	(120 000)	(120 000)	(120 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES	56 112	54 594	(36 453)	41 083	10 857	(19 899)	3 066	2 996	17 914	2 056	(38 614)	311 968	405 682	309 301	323 258
Proceeds on disposal of PPE							27	27	27	27	27	192	329	343	359
Capital assets	(47 856)	(9 684)	(16 299)	(17 446)	(11 758)	(19 882)	(24 584)	(24 584)	(24 584)	(24 584)	(24 584)	(49 164)	(295 007)	(307 987)	(321 846)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(47 856)	(9 684)	(16 299)	(17 446)	(11 758)	(19 882)	(24 556)	(24 556)	(24 556)	(24 556)	(24 556)	(48 972)	(294 678)	(307 644)	(321 488)
NET CASH FROM/(USED) FINANCING ACTIVITIES															
NET INCREASE/(DECREASE) IN CASH HELD	8 256	44 911	(62 752)	23 637	(901)	(39 780)	(21 491)	(21 560)	(6 642)	(22 500)	(63 170)	262 996	111 005	1 658	1 770

SE6 (a) – Capital expenditure on new assets

Centlec - Supporting Table SE6a Adjustments capital expenditure on new assets by asset category - M06 December

Description	Ref	Budget Year 2022/23							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	1	A	A1	B	C	D	E	F	G		
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure		125 927		(5 750)			1 776	(3 974)	121 953	131 468	137 384
Roads Infrastructure											
Electrical Infrastructure		125 927		(5 750)			1 776	(3 974)	121 953	131 468	137 384
Power Plants											
HV Substations		7 250		(5 750)				(5 750)	1 500	7 569	7 910
MV Networks		7 100							7 100	7 412	7 746
LV Networks		111 577					1 776	1 776	113 353	116 486	121 728
Capital Spares											
Capital Spares											
Community Assets		51 404		(32 161)				(32 161)	19 243	53 666	56 081
Community Facilities		50 830		(32 161)				(32 161)	18 669	53 066	55 454
Centres		50 830		(32 161)				(32 161)	18 669	53 066	55 454
Sport and Recreation Facilities		574							574	599	626
Indoor Facilities											
Outdoor Facilities		574							574	599	626
Computer Equipment		8 120							8 120	8 477	8 859
Computer Equipment		8 120							8 120	8 477	8 859
Furniture and Office Equipment		7 250		(1 000)				(1 000)	6 250	7 569	7 910
Furniture and Office Equipment		7 250		(1 000)				(1 000)	6 250	7 569	7 910
Machinery and Equipment		3 000		(2 000)				(2 000)	1 000	3 132	3 273
Machinery and Equipment		3 000		(2 000)				(2 000)	1 000	3 132	3 273
Transport Assets		19 950		(2 000)				(2 000)	17 950	20 828	21 765
Transport Assets		19 950		(2 000)				(2 000)	17 950	20 828	21 765
Total Capital Expenditure on new assets to be adjusted	1	215 631		(42 911)			1 776	(41 134)	174 517	225 140	235 271

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 - M06 December

Description	Ref	Budget Year 2022/23							Budget Year +1	Budget Year +2
		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	1	A	A1	B	C	D	E	F	G	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		24 045						24 045	25 103	26 232
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		24 045						24 045	25 103	26 232
Power Plants										
HV Substations		2 250						2 250	2 349	2 455
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks		17 490						17 490	18 259	19 081
LV Networks		4 305						4 305	4 495	4 697
Capital Spares										
Total Capital Expenditure on renewal of existing assets to be adjusted	1	24 045						24 045	25 103	26 232

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

Centlec - Supporting Table SE6c Adjustments expenditure on repairs and maintenance by asset category - M06 December											
Description	Ref	Budget Year 2022/23							Budget Year +1 2023/24	Budget Year +2 2024/25	
		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	1	A	A1	B	C	D	E	F	G		
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure		7 169						7 169	7 384	7 822	
Roads Infrastructure											
Electrical Infrastructure		7 169						7 169	7 384	7 822	
Power Plants		2 014						2 014	2 107	2 197	
HV Substations		4 894						4 894	5 004	5 339	
HV Switching Station											
LV Networks		262						262	274	286	
Other assets		22 420						22 420	24 391	24 460	
Operational Buildings		22 420						22 420	24 391	24 460	
Municipal Offices		22 420						22 420	24 391	24 460	
Machinery and Equipment		1 536						1 536	1 603	1 675	
Machinery and Equipment		1 536						1 536	1 603	1 675	
Transport Assets		11 762						11 762	12 279	12 832	
Transport Assets		11 762						11 762	12 279	12 832	
Land											
Land											
Zoo's, Marine and Non-biological Animals											
Zoo's, Marine and Non-biological Animals											
Total Repairs and maintenance expenditure to be adjusted	1	42 887						42 887	45 657	46 788	

SE6 (d) – Depreciation by asset category

Centlec - Supporting Table SE6d Adjustments Depreciation by asset category - M06 December

Description	Ref	Budget Year 2022/23							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	1	A	A1	B	C	D	E	F	G	
Depreciation by Asset Class/Sub-class										
Infrastructure		54 402						54 402	56 796	59 351
Roads Infrastructure										
Electrical Infrastructure		54 402						54 402	56 796	59 351
<i>LV Networks</i>		54 402						54 402	56 796	59 351
<i>Capital Spares</i>										
Community Assets		1 715						1 715	1 791	1 871
Community Facilities		1 715						1 715	1 791	1 871
<i>Halls</i>		1 715						1 715	1 791	1 871
Intangible Assets		7 795						7 795	8 138	8 504
Servitudes										
Licences and Rights		7 795						7 795	8 138	8 504
<i>Computer Software and Applications</i>		7 795						7 795	8 138	8 504
Furniture and Office Equipment		7 000						7 000	7 308	7 637
Furniture and Office Equipment		7 000						7 000	7 308	7 637
Machinery and Equipment		56						56	58	61
Machinery and Equipment		56						56	58	61
Transport Assets		5 623						5 623	5 871	6 135
Transport Assets		5 623						5 623	5 871	6 135
Total Depreciation to be adjusted	1	76 592						76 592	79 962	83 560

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 - M06 December

Description	Ref	Budget Year 2022/23							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	1	A	A1	B	C	D	E	F	G		
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class											
Infrastructure		25 530		(500)				(500)	25 030	26 653	27 852
Roads Infrastructure											
Electrical Infrastructure		25 530		(500)				(500)	25 030	26 653	27 852
<i>HV Transmission Conductors</i>		9 000						9 000	9 396	9 819	
<i>MV Networks</i>		6 500		(500)				(500)	6 000	6 786	7 091
<i>LV Networks</i>		10 030						10 030	10 471	10 942	
Zoo's, Marine and Non-biological Animals											
Total Capital Expenditure on upgrading of existing assets to be a	1	25 530		(500)				(500)	25 030	26 653	27 852

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


Centlec - Supporting Table SE7 List of capital projects affected by Adjustments Budget - M06 December

R thousands					2022/23 Medium Term Revenue & Expenditure Framework			
Function	Project Description	Type	Asset Class	Asset Sub-Class	Budget Year 2022/23	Adjusted Budget	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality:								
<i>List all capital projects grouped by Function</i>								
Electricity	Remedial Work 132kv Southern Lines	UPGRADING	Electrical Infrastructure	Hv Transmission Conductors	9 000	9 000	9 396	9 819
Electricity	Extension And Upgrading Of The 11kv New	UPGRADING	Electrical Infrastructure	Mv Networks	5 000	5 000	5 220	5 455
Electricity	Refur Protec & Scada Systems Dist Centr	UPGRADING	Electrical Infrastructure	Mv Networks	1 000	1 000	1 044	1 091
Electricity	Replacement Of Oil Plant	UPGRADING	Electrical Infrastructure	Mv Networks	500		522	545
Electricity	Refurbishment Of High Mast Lights	UPGRADING	Electrical Infrastructure	Lv Networks	7 030	7 030	7 339	7 669
Electricity	Upgrading And Extension Of Lv Network	UPGRADING	Electrical Infrastructure	Lv Networks	3 000	3 000	3 132	3 273
Electricity	Botshabelo: establishment of 132KV (Indu)	NEW	Electrical Infrastructure	Hv Substations	5 000		5 220	5 455
Electricity	Security Equipment (Cctv)	NEW	Electrical Infrastructure	Hv Substations	2 250	1 500	2 349	2 455
Electricity	Electrification Internal Projects	NEW	Electrical Infrastructure	Mv Networks	7 100	7 100	7 412	7 746
Electricity	Bloem: C/Y-Est 33/11kv 20mva Firm Supdc	NEW	Electrical Infrastructure	Lv Networks	8 000		8 352	8 728
Electricity	Bloem: N/Stad-Upg 132/11kv 20mva Firm Dc	NEW	Electrical Infrastructure	Lv Networks	10 000		10 440	10 910
Electricity	Botsh: Upg Sub T (2nd Trans Scada Equi	NEW	Electrical Infrastructure	Lv Networks	8 000		8 352	8 728
Electricity	Botsh: Upg Sub W (C/Work BW 2nd Tra S/D	NEW	Electrical Infrastructure	Lv Networks	8 000		8 352	8 728
Electricity	Botsh-E: Est New 33/11kv 10mva Firm Cap	NEW	Electrical Infrastructure	Lv Networks	8 000		8 352	8 728
Electricity	Electrification (Usdg Grant)	NEW	Electrical Infrastructure	Lv Networks	20 000	26 000	20 880	21 820
Electricity	Electrification (ISUP Grant)	NEW	Electrical Infrastructure	Lv Networks		21 276		
Electricity	Infra Catalyst Projects	NEW	Electrical Infrastructure	Lv Networks	8 000	8 000	8 352	8 728
Electricity	Install Prepaid Meters	NEW	Electrical Infrastructure	Lv Networks	500	500	522	545
Electricity	Installation Of Public Lighting	NEW	Electrical Infrastructure	Lv Networks	8 000	14 500	8 352	8 728
Electricity	Meter Project	NEW	Electrical Infrastructure	Lv Networks	15 000	25 000	15 660	16 365
Electricity	Public Electricity Connections	NEW	Electrical Infrastructure	Lv Networks	14 300	14 300	14 929	15 601
Electricity	Rep Brittle Overhead Connections	NEW	Electrical Infrastructure	Lv Networks	1 000	1 000	1 044	1 091
Electricity	SLights Replace Pole Trms Poles Section	NEW	Electrical Infrastructure	Lv Networks	2 177	2 177	2 273	2 375
Electricity	Servitudes Land (Incl Invest Remune Reg	NEW	Electrical Infrastructure	Lv Networks	600	600	626	655
Electricity	Computer Equipment (Covid-19)	NEW	Computer Equipment	Computer Equipment				
Electricity	Implem Business Cont/Disaster Recov Inf	NEW	Computer Equipment	Computer Equipment	2 730	2 730	2 850	2 978
Electricity	Upgrade & Refurb Computer Network	NEW	Computer Equipment	Computer Equipment	5 390	5 390	5 627	5 880
Electricity	Furniture And Office Equipment	NEW	Furniture And Office Equipment	Furniture And Office Equipment	2 250	1 250	2 349	2 455
Electricity	Vending Back Office	NEW	Furniture And Office Equipment	Furniture And Office Equipment	5 000	5 000	5 220	5 455
Electricity	Digital Radio System	NEW	Machinery And Equipment	Machinery And Equipment	3 000	1 000	3 132	3 273
Electricity	Protection Test Unit	NEW	Transport Assets	Transport Assets	2 000		2 088	2 182
Electricity	Vehicles	NEW	Transport Assets	Transport Assets	17 950	17 950	18 740	19 583
Electricity	Replacement Of 110v Batteries	RENEWAL	Electrical Infrastructure	Hv Substations	2 250	2 250	2 349	2 455
Electricity	Bulk Meter Refurbishment	RENEWAL	Electrical Infrastructure	Mv Networks	240	240	250	261
Electricity	Replacement Of 11kv Switchgears	RENEWAL	Electrical Infrastructure	Mv Networks	2 250	2 250	2 349	2 455
Electricity	Replacement Of 32v Batteries	RENEWAL	Electrical Infrastructure	Mv Networks	2 000	2 000	2 088	2 182
Electricity	Transformer Replace & Other Related Equi	RENEWAL	Electrical Infrastructure	Mv Networks	13 000	13 000	13 572	14 183
Electricity	Installation Of High Voltage Test Equipm	RENEWAL	Electrical Infrastructure	Lv Networks	2 500	2 500	2 610	2 727
Electricity	Rep Low Volt Decrepit 2/4/8 Way Boxes	RENEWAL	Electrical Infrastructure	Lv Networks	800	800	835	873
Electricity	Shifting Of Connection And Replacement S	RENEWAL	Electrical Infrastructure	Lv Networks	1 005	1 005	1 050	1 097
Electricity	Repair Mmm Dist Dist Centre	NEW	Community Facilities	Centres	12 247	2 838	12 786	13 362
Electricity	Repair Wsta Dist Dist Centre	NEW	Community Facilities	Centres	30 164	10 412	31 491	32 908
Electricity	Office building	NEW	Community Facilities	Centres	8 419	5 419	8 789	9 185
Electricity	Training & Development	NEW	Sport And Recreation Facilities	Outdoor Facilities	574	574	599	626
Total Capital expenditure					265 225	223 591	276 895	289 355

CERTIFICATION

Print Name M-J. Venka

ACTING CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD

Signature 

Date 16 March 2023

CHIEF EXECUTIVE OFFICER CERTIFICATION

Chief Executive Officer's certification:

Malefane Seboko, Chief Executive Officer of CENTLEC (SOC) Ltd, hereby certify that the Adjustment Budget 2022/23 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 M Seboko

CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD

Signature 

Date 16 March 2023