

MID-YEAR FINANCIAL
REPORT ENDED 31
DECEMBER 2023



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PART 1 – MID-YEAR FINANCIAL REPORT

1.1 CHAIRPERSON'S REPORT

Introduction

The purpose of this report is to inform the Board of Directors of the Entity's Mid-Year performance as at 31 December 2023 against the approved budget in compliance with Section 88 (1) of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009, by providing a statement on the implementation of the budget and financial state of affairs of the Entity to the Parent Municipality, as legislated.

Background

The entity's revenue sources have experienced a decline during the current and past few years. This downward movement is mainly attributed to the constraints on supply by Eskom, customers heading to energy conservation and the economic downturn due to Covid19. The entity has also witnessed a gradual migration of high consumption customers towards alternative energy sources. Accordingly, revenue for the period under review is projected a slow to negative revenue growth from initially projected at the beginning of the financial year.

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

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

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

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

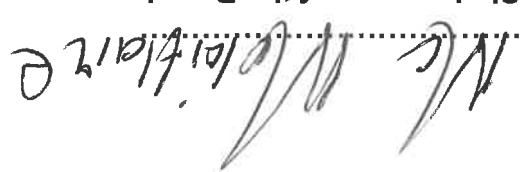
Overview

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

Centlec (SOC) Ltd - Table F1 Monthly Budget Statement Summary - M06 December		Current Year 2023/24						
Description	2022/23		Current Year 2023/24				Forecast	
	Audited Outcome	Original Budget	Monthly Actuals	YTD Actuals	YTD Budget	YTD Variance		% YTD Variance
Financial Performance								
Property rates	2 893 537	3 584 747	155 844	1 718 134	1 792 373	(74)	-4%	
Service charges	2 262	4 727	312	1 972	2 363	(391)	-17%	
Investment revenue	2 262	4 727	312	1 972	2 363	(391)	-17%	
Other own revenue	74 146	56 654	3 975	23 486	28 327	(4 842)	-17%	
and contributions	2 969 945	3 646 128	1 601 311	1 743 592	1 823 064	(79 472)	-4%	
Employee costs	449 694	450 588	40 514	238 064	225 294	12 770	6%	
Remuneration of Board Members	47	827	304	357	414	(57)	-14%	
Depreciation and asset impairment	276 206	264 237	34 223	205 503	132 119	73 385	56%	
Interest	3 385	179 237	14 936	89 619	89 619	0	0%	
Inventory consumed and bulk purchases	2 116 616	2 254 423	141 035	1 366 052	1 127 212	238 841	21%	
Transfers and grants	-	120 000	-	-	60 000	(60 000)	-100%	
Other expenditure	380 421	126 180	3 440	32 541	63 090	(30 549)	-48%	
Total Expenditure	3 226 368	3 395 493	234 452	1 932 136	1 697 746	234 389	14%	
Surplus/(Deficit)	(256 423)	250 636	(74 322)	(188 543)	125 317	(313 861)	-250%	
Transfers and subsidies - capital (monetary alloc	57 068	68 058	198	2 023	34 029	(32 005)	-94%	
contributions	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217%	
Income Tax	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217%	
Surplus/(Deficit) for the year	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217%	
Capital expenditure & funds sources								
Capital expenditure								
Transfers recognised - capital	54 253	67 300	287	20 592	33 650	(13 058)	-39%	
Borrowing	93 708	141 393	6 973	20 351	70 697	(50 346)	-71%	
Internally generated funds	147 961	208 693	7 260	40 943	104 347	(63 404)	-61%	
Financial position								
Total current assets	4 525 623	7 23 512	723 512	107 346				
Total non current assets	7 507 247	7 493 940	7 493 940	(72 027)				
Total current liabilities	2 771 202	943 680	943 680	156 934				
Total non current liabilities	1 362 475	1 465 600	1 465 600	127				
Community wealth/Equity	7 899 193	5 808 171		(121 742)				
Cash flows								
Net cash from (used) operating	151 712	129 212	(26 098)	53 825	90 956	(37 132)	-41%	
Net cash from (used) investing	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	61 600	-56%	
Net cash from (used) financing	(1 584)	(1 774)	(1 774)	887			-100%	
Cash/cash equivalents at the year end	8 691	(54 484)	26 553	264 417	(892)	265 309	-29737%	
Debtors & creditors analysis								
31-60 Days	165 763	21 174	24 155	16 836	12 401	48 578		
61-90 Days	8 691	(54 484)	26 553	264 417	(892)	265 309		
121-150 Dys	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	61 600		
151-180 Dys	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	61 600		
181 Dys-1 Yr	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	61 600		
Over 1 Yr	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	61 600		
Total	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	61 600		
Debtors Age Analysis								
Total By Income Source	165 763	21 174	24 155	16 836	12 401	48 578		
Creditors Age Analysis	215 170	910	778					
Total Creditors	215 170	910	778					

Conclusion

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


.....
Chairperson of the Board

1.2 RESOLUTIONS

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

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

1.3 EXECUTIVE SUMMARY

The Mid-Year Financial Report was compiled in accordance with Section 88(1) and in the prescribed format required by the Act. This Report is based upon financial information, as at 31 December 2023. All variances are calculated against the approved budget figures. The results for the six months ended 31 December 2023 are summarised as follows:

1.3.1 Statement of Financial Performance (Table F2)

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

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

Details	Yearly Budget	Mid-Year Budget Allocation	Mid-Year Actuals	Mid-Year Variance (R)	Mid-Year %	YTD Actuals	YTD %	Notes
	R"000	R"000	R"000	R"000	R"000	R"000	R"000	
Revenue by Source	3 646 128	1 823 064	1 932 136	(109 071)	106%	1 932 136	53%	A
Expenditure by Type	3 395 493	1 697 746	1 745 616	(47 869)	103%	1 745 616	51%	B
Surplus / (Deficit)	250 636	125 318	186 520	(61 202)	149%	186 520	74%	

Notes:

A – Favorable variance of R 109,071 million against the mid-year budget allocation mainly due to the annual tariff increase.

B – Unfavorable variance of R 47,869 million against the mid-year budget allocation. The variance is mainly due to higher Bulk Purchases actual expenses due to 2 winter month consumptions against a straight lined budget and higher than budgeted Depreciation.

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

R thousands		2022/23							Current Year 2023/24								
		Audited Outcome	Original Budget	Monthly Actuals	YTD Actuals	YTD Budget	YTD variance	YTD Variance %	Notes	Audited Outcome	Original Budget	Monthly Actuals	YTD Actuals	YTD Budget	YTD variance	YTD Variance %	Notes
Revenue By Source																	
Exchange Revenue																	
	Service charges - Electricity	2 893 537	3 584 747	155 844	1 718 134	1 792 373	(74 239)	-4.1%	1								
	Sale of Goods and Rendering of Services	7 621	11 218	573	3 584	5 609	(2 025)	-36.1%	2								
	Interest earned from Receivables	24 881	29 846	3 161	18 624	14 923	3 701	24.8%	3								
	Interest earned from Current and Non Current Assets	2 262	4 727	312	1 972	2 363	(391)	-16.5%	4								
	Operational Revenue	29 259	1 580	(23)	(133)	790	(922)	-116.8%	5								
	Fines, penalties and forfeits	4 163	3 833	264	1 410	1 917	(507)	-26.4%	6								
	Gains on disposal of Assets	1 149	9 793	385		4 896	(4 896)	-100.0%	7								
	Other Gains	7 073				192	(192)	-100.0%									
Total Revenue (excluding capital transfers and contributions)																	
2 969 945																	
3 646 128																	
160 131																	
1 743 592																	
1 823 064																	
(79 472)																	
-4.4%																	
Expenditure By Type																	
Employee related costs																	
8		449 694	450 588	40 514	238 064	225 294	12 770	5.7%									
9	Remuneration of board members	47	827	304	357	414	(57)	-13.8%									
10	Bulk purchases - electricity	2 114 613	2 199 932	135 445	1 336 893	1 099 966	236 927	21.5%									
11	Inventory consumed	2 003	54 491	5 590	29 159	27 246	1 914	7.0%									
11	Debt impairment	3 385	179 237	14 936	89 619	89 619	0	0.0%									
12	Depreciation and asset impairment	272 821	85 000	19 286	115 885	42 500	73 385	172.7%									
12	Interest	49 414	254	21	127	127	0	0.0%									
13	Contracted services	115 626	179 196	9 370	60 646	89 598	(28 952)	-32.3%									
13	Transfers and subsidies		120 000			60 000	(60 000)	0.0%									
14	Inrecoverable debts written off	(56 752)															
14	Operational costs	243 011	125 968	8 985	61 386	62 984	(1 598)	-2.5%									
14	Losses on disposal of Assets	29 431															
14	Other Losses	3 076															
Total Expenditure																	
3 226 368																	
3 395 493																	
234 452																	
1 932 136																	
1 697 746																	
234 389																	
13.8%																	
Surplus/(Deficit)																	
(256 423)																	
250 636																	
(74 322)																	
(188 543)																	
125 317																	
34 029																	
(313 861)																	
-250.5%																	
Transfers and subsidies - capital (monetary)																	
57 068																	
68 058																	
198																	
2 023																	
159 346																	
(345 866)																	
-94.1%																	
Transfers and subsidies - capital (in-kind)																	
(199 356)																	
318 693																	
(74 124)																	
(186 520)																	
159 346																	
(345 866)																	
-217.1%																	
Income Tax																	
(199 356)																	
318 693																	
(74 124)																	
(186 520)																	
159 346																	
(345 866)																	
-217.1%																	
Surplus/(Deficit) for the year																	
(199 356)																	
318 693																	
(74 124)																	
(186 520)																	
159 346																	
(345 866)																	
-217.1%																	

The major revenue YTD variances against the budget are:

1. Service charges- electricity revenue

Unfavourable variance of R 74,239 million equivalent to (4.1%) of the year-to-date budget. The variance is due to customers seeking alternative electricity sources and the ripple effect of load shedding.

2. Sales of goods and rendering of services

Unfavourable variance of R 2,025 million equivalent to (36.1%) for the year to date. The variance is mainly due to lower actual levels for Sale of goods and rendering of services than initially anticipated.

3. Interest earned from Receivables

Favourable variance of R 3,701 million equivalent to (24.8%) of the year-to-date budget. The variance is mainly due to actual interest charged on late payment by customers being higher than anticipated and the ripple effect of estimates charged.

4. Interest earned from Current & Non-current assets (Bank Accounts & Investments)

Unfavourable variance of R 391,000 equivalent to (16.5%) of the year-to-date budget. The amount received for interest on bank and investment was lower than the anticipated budget due to cash on hand being primarily used to settle operational obligations instead of investing.

5. Fines

Unfavourable variance of R 507,000 equivalent to (26.4%) of the year-to-date budget. This line item is dependent on fines imposed. Less fines were issued than anticipated. More stringent credit control measures will be put in place to ensure that levied fines are followed up and paid.

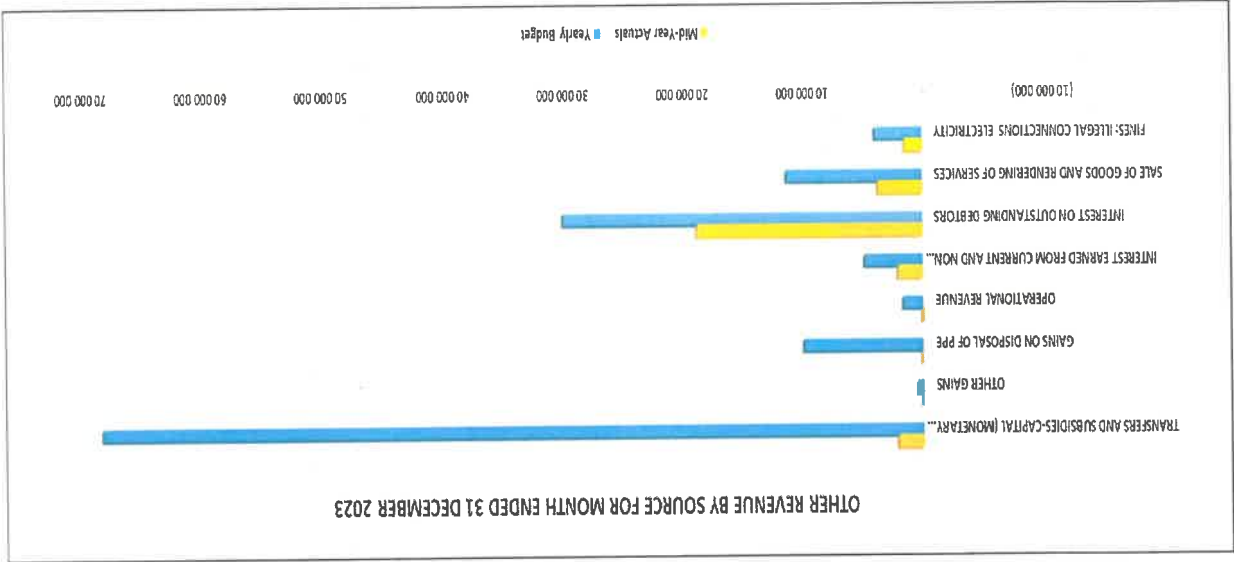
FINES	Yearly Budget	Mid-year Budget allocation	Mid-year Actuals	Mid-year Variance (R)	Mid-year %	YTD Actuals	YTD %
FINES: ILLEGAL CONNECTIONS ELECTRICITY	3 833 276	1 916 638	1 409 824	506 814	74%	1 409 824	37%
TOTAL FINES	3 833 276	1 916 638	1 409 824	506 814	74%	1 409 824	37%

6. Other Revenue

6.1 The following table indicates **INCOME AND GRANTS** received for the mid-year ended 31 December 2023.

Description	Yearly Budget	Mid-Year Budget Allocation	Mid-Year Actuals	Mid-Year Variance (R)	Mid-Year %	YTD Actuals	YTD %
FINES: ILLEGAL CONNECTIONS ELECTRICITY	3 833 276	1 916 638	1 409 824	506 814	74%	1 409 824	37%
SALE OF GOODS AND RENDERING OF SERVICES	11 217 571	5 608 786	3 584 276	2 024 509	64%	3 584 276	32%
INTEREST ON OUTSTANDING DEBTORS	29 846 303	14 923 152	18 624 216	-3 701 065	125%	18 624 216	62%
INTEREST EARNED FROM CURRENT AND NON CURRENT ASSETS	4 726 910	2 363 455	1 972 491	390 964	83%	1 972 491	42%
OPERATIONAL REVENUE	1 579 500	789 750	-132 671	922 421	-17%	-132 671	-8%
GAINS ON DISPOSAL OF PPE	9 792 900	4 896 450	-	4 896 450	0%	-	0%
OTHER GAINS	384 781	192 391	-	192 391	0%	-	0%
TRANSFERS AND SUBSIDIES-CAPITAL (MONETARY ALLOCATIONS)	68 057 900	34 028 950	2 023 459	32 005 491	6%	2 023 459	3%
TOTAL OTHER REVENUE	129 439 141	64 719 571	27 481 595	37 237 975	42%	27 481 595	21%

6.2 The following table indicates **OTHER INCOME** received for the mid-year ended 31 December 2023.



7. Gains on disposal of PPE

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

The major Expenditure YTD variances against the budget are:

8. Employee related Cost

Unfavourable variance of R 12,770 million equivalent to (5.7%) of the year-to-date budget. The variance is due to increments on third parties, bonuses, long service payments and appointment of new employees.

9. Remuneration of Directors

Favourable variance (Savings) of R 57,000 equivalent to (13.8%) of the year-to-date budget.

10. Bulk Purchases

Unfavourable variance of R 236,927 million equivalent to (21.5%) of the year-to-date budget. The variance is due to winter consumption charged for July and August measured against the straight lined budget and tariff increase.

11. Other material (Inventory)

Unfavourable variance of R 1,914 million equivalent to (7%) of the year-to-date budget. The variance is mainly due to the effect of load shedding on the network wear and tear and unexpected network damages.

12. Depreciation & asset impairment

Unfavourable variance of R 73,385 million equivalent to (172.7%) of the year-to-date budget. The variance is due to the budget cut made to non-cash items and the amount for actual depreciation captured/processed in the month under review.

13. Contracted Services

Favourable variance (Savings) of R 28,952 million equivalent to (32.3%) of the year-to-date budget.

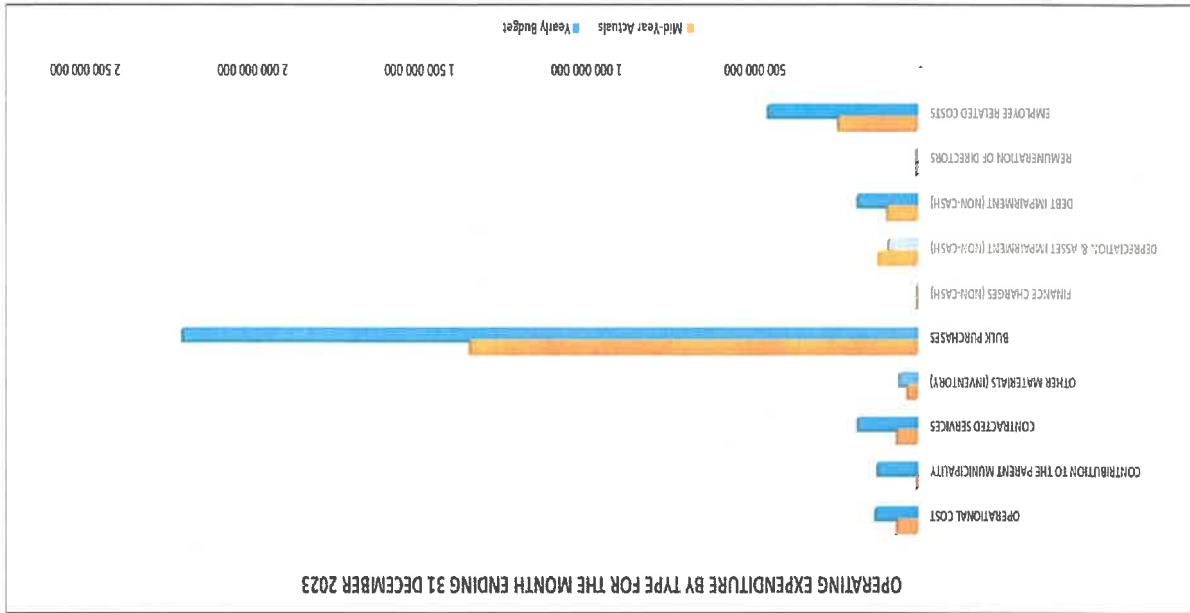
14. Other Expenditure

Favourable variance (Savings) of R 1,598 million equivalent to (2.5%) of the year-to-date budget.

The table below indicates the Operating expenditure for the month ending 31 December 2023

Detail	Yearly Budget	Mid-Year Budget Allocation	Mid-Year Actuals	Mid-Year Variance (R)	Mid-Year %	YTD Actuals	YTD %
EMPLOYEE RELATED COSTS	450 588 382	225 294 191	238 064 129	-12 769 938	106%	238 064 129	53%
REMUNERATION OF DIRECTORS	827 126	413 563	356 582	56 981	86%	356 582	43%
DEBT IMPAIRMENT (NON-CASH)	179 237 363	89 618 682	89 618 682	-0	100%	89 618 682	50%
DEPRECIATION & ASSET IMPAIRMENT (NON-CASH)	85 000 001	42 500 001	115 884 621	-73 384 620	273%	115 884 621	136%
FINANCE CHARGES (NON-CASH)	253 569	126 785	126 785	-	100%	126 785	50%
BULK PURCHASES	2 199 931 730	1 099 965 865	1 336 893 064	-236 927 199	122%	1 336 893 064	61%
OTHER MATERIALS (INVENTORY)	54 491 300	27 245 650	29 159 375	-1 913 725	107%	29 159 375	54%
CONTRACTED SERVICES	179 195 711	89 597 856	60 645 926	28 951 929	68%	60 645 926	34%
CONTRIBUTION TO THE PARENT MUNICIPALITY	120 000 000	60 000 000	-	60 000 000	0%	-	0%
OPERATIONAL COST	125 967 762	62 983 881	61 386 367	1 597 514	97%	61 386 367	49%
TOTAL OPERATING EXPENDITURE	3 395 492 944	1 697 746 472	1 932 135 531	-234 389 059	114%	1 932 135 531	57%

14.1 The following table indicates the Operating Expenditure for the mid-year ended 31 December 2023.



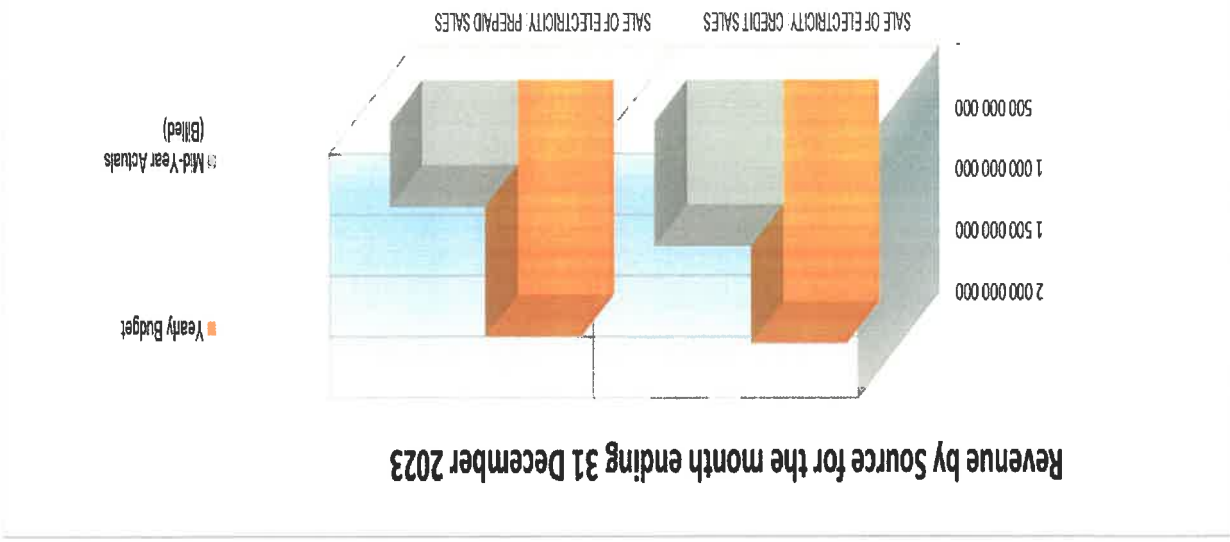
1.3.1 REVENUE AND EXPENDITURE

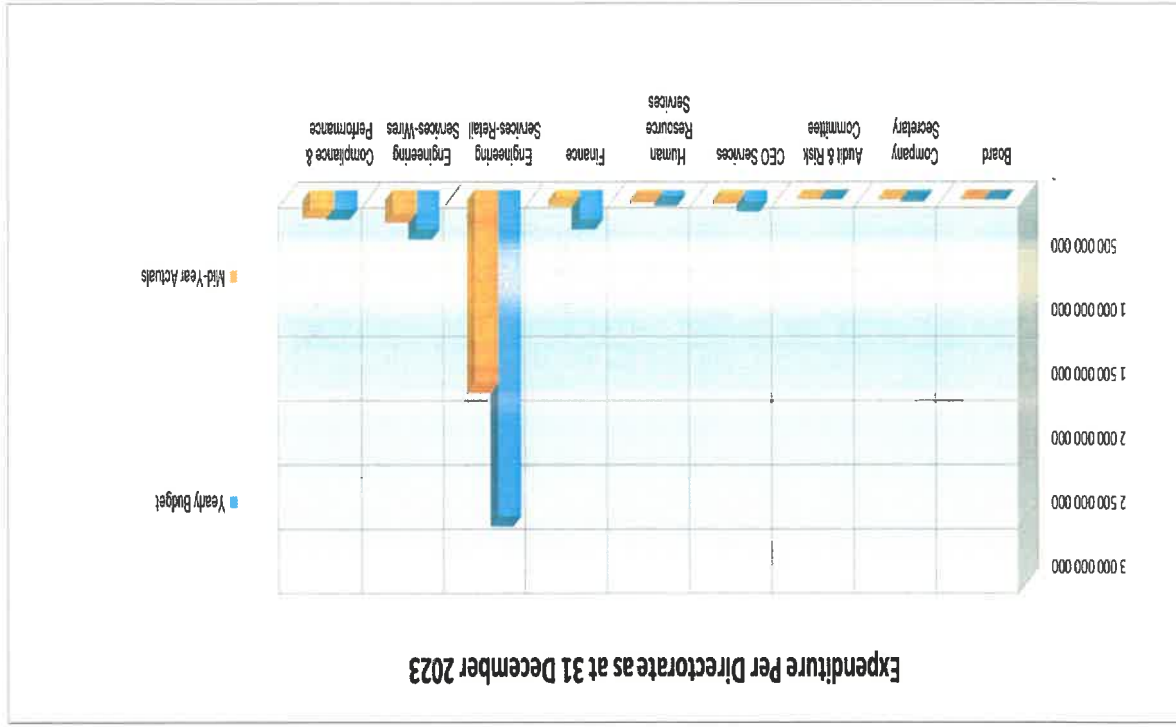
1.3.1.1 Revenue by Source for the mid-year ended 31 December 2023

An amount of R 1,718 billion was billed for the year to date compared to the annual budget of R 3,584 billion

Details	Yearly Budget	Mid-Year Budget Allocation	Mid-Year Actuals (Billed)	Mid-Year Variance (R)	Mid-Year %	YTD Actuals	YTD %
SALE OF ELECTRICITY: CREDIT SALES	1 823 108 251	911 554 126	1 022 317 348	-110 763 223	112%	1 022 317 348	56%
SALE OF ELECTRICITY: PREPAID SALES	1 761 638 998	880 819 499	695 816 920	185 002 579	79%	695 816 920	39%
TOTAL INCOME	3 584 747 249	1 792 373 625	1 718 134 268	74 239 357	96%	1 718 134 268	48%

The following chart compares the mid-year actual revenue against the yearly budget:





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

Description	Yearly Budget	Mid-Year Budget Allocation	Mid-Year Actuals	Mid-Year Variance (R)	Mid-Year %	YTD Actuals	YTD %
BOARD	1 571 226	785 613	446 397	339 216	57%	446 397	28%
COMPANY SECRETARY	17 574 146	8 787 073	1 285 031	7 502 042	15%	1 285 031	7%
AUDIT & RISK COMMITTEE	481 855	240 928	167 685	73 243	70%	167 685	35%
CEO	92 759 580	46 379 790	32 888 082	13 491 708	71%	32 888 082	35%
HUMAN RESOURCE SERVICES	48 696 024	24 348 012	22 529 400	1 818 612	93%	22 529 400	46%
FINANCE	231 719 132	115 859 566	50 635 331	65 224 236	44%	50 635 331	22%
ENGINEERING SERVICES-RETAIL	2 541 592 093	1 270 796 047	1 503 568 505	(232 772 458)	118%	1 503 568 505	59%
ENGINEERING SERVICES-WIRES	307 962 312	153 981 156	177 399 672	(23 418 516)	115%	177 399 672	58%
COMPLIANCE & PERFORMANCE	153 136 576	76 568 288	143 215 553	(66 647 265)	187%	143 215 553	94%
Total Expenditure Per Directorate	3 395 492 944	1 697 746 472	1 932 135 655	(234 389 183)	114%	1 932 135 655	57%

Refer to the expenditure per Department table below:

1.3.1.2 Expenditure per Department for the mid-year ended 31 December 2023

1.3.2 CASH FLOW FOR THE MID-YEAR ENDED 31 DECEMBER 2023 (Table F5)

Description		Centrec - Table F5 Monthly Budget Statement - Cash Flows - M06 December													
		2022/23						Current Year 2023/24							
R thousands	Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	%	Full Year Forecast	2022/23		Current Year 2023/24		
											Outcome	Budget	Budget	Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES															
Receipts	Property rates	2 867 851	3 399 585	3 399 585	274 145	2 033 009	1 699 793	333 217	19.6%	3 399 585	20 560	67 300	28 571	25 299	32 619
	Other revenue	20 560	20 560	549	5 569	10 280	(4 711)	-45.8%	20 560	67 300	67 300	28 571	25 299	32 619	
	Government - operating	67 300	67 300							67 300	67 300	28 571	25 299	32 619	
	Government - capital														
	Interest (Bank & investments)	32 619	32 619	312	1 900	16 309	(14 410)	-88.4%	32 619						
	Dividends	2 760 334	(3 270 622)	(3 000 741)	(1 982 876)	(1 635 311)	(347 565)	21.3%	(3 270 622)						
Payments	Suppliers and employees	(9 675)	(229)	(364)	(3 777)	(114)	(3 663)	3202.2%	(229)	(120 000)					
	Finance charges	(229)	(229)	(364)	(3 777)	(114)	(3 663)	3202.2%	(229)						
	Dividends paid	(120 000)	(120 000)						(120 000)						
	Transfers and Grants														
NET CASH FROM/(USED) OPERATING ACTIVITIES															
		151 712	129 212	(26 098)	53 825	90 956	(37 132)	-40.8%	129 212						
CASH FLOWS FROM INVESTING ACTIVITIES															
Receipts	Proceeds on disposal of PPE	275	9 285	9 285		4 642	(4 642)	-100.0%	9 285						
	Decrease (increase) in non-current debtors														
	Decrease (increase) other non-current receivables														
	Decrease (increase) in non-current investments														
Payments	Capital assets	(153 968)	(228 884)	(228 884)	(13 678)	(48 199)	(114 442)	-57.9%	(228 884)						
	NET CASH FROM/(USED) INVESTING ACTIVITIES	(153 693)	(219 599)	(219 599)	(13 678)	(48 199)	(109 800)	-56.1%	(219 599)						
CASH FLOWS FROM FINANCING ACTIVITIES															
Receipts	Short term loans														
	Borrowing long term/ren financing														
	Increase (decrease) in consumer deposits	(1 584)	(1 774)	(1 774)		(887)		-100.0%	(1 774)						
Payments	Repayment of borrowing (MMM)														
	NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 584)	(1 774)	(1 774)		(887)		-100.0%	(1 774)						
NET INCREASE/(DECREASE) IN CASH HELD															
		(3 565)	(92 162)	(92 162)	(39 776)	5 625	(19 731)	-128.5%	(92 162)						
	Cash/cash equivalents at the year begin:	12 256	37 677	37 677	66 329	258 791	18 839	239 953	1273.7%	12 256					
	Cash/cash equivalents at the year end:	8 691	(54 484)	(54 484)	26 553	264 417	(892)	265 309	-29736.5%	(79 906)					

Commentary explanations on Cash Activities:

Cash flow from operating category (Bank Statement)

1.3.2.1 Ratepayers (Electricity Revenue)

Electricity revenue and other revenue reflect an actual of R 2,033 billion compared to the year-to-date budget of R 1,699 billion which results in a favourable variance of R 333,217 million which is equivalent to (19.6%). An amount of 333,217 million for the period more than anticipated.

1.3.2.2 Capital Grants

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

Cash flow regarding payments

1.3.2.3 Suppliers and Employee Related Costs

Suppliers and Employee Related payments reflect an actual of R 1,982 billion compared to the year-to-date budget allocation of R 1,635 billion, which result to an unfavourable variance of R 347,565 million which is equivalent to (21.3%).

1.3.2.3 Capital Payments

Capital payments reflect a year to date actual of R 48,199 million compared to the yearly budget of R 114,442 million. This results to a variance of R 66,243 million which is equivalent to (57.9%).

1.3.3 FINANCIAL IMPLICATIONS

The Mid-Year report for the period ending 31 December 2023 indicates various financial risks which require monitoring:

- Irrecoverable debtors >120 days equals to 80% of the debt book.

1.3.3.1 Achievement of the operating expenditure and revenue budget:

The Mid-Year Assessment Report for the period ending 31 December 2023 indicates a deficit of R 186,520 million (on accrual basis as per the financial system including non-cash transactions). The Report indicates various financial risks which requires monitoring of:

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

1.3.3.2 Achievement of the capital expenditure budget:

The actual year to date capital expenditure until 31 December 2023 represents only 20% (R 40,943) million when compared to the year-to-date budget allocation of R 208,693 million.

1.3.4 CONCLUSION

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

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

1.3.5 RECOMMENDATIONS

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

- Council should note and evaluate the reported assessed Mid-Year financial performance report against the budget for the 2023/24 financial year;

- Based on the assessment of the performance as indicated above and the need to accommodate the matters as indicated in the paragraph 1.3.4 (Conclusion) above, it is recommended that an adjustment budget for the financial year 2023/24 be made and tabled before Council for consideration, after approval of the Mid-Year Report.

1.4 MID-YEAR BUDGET STATEMENT TABLES

F1 : Monthly Budget Summary

Centre (SOC) Ltd - Table F1 Monthly Budget Statement Summary - M06 December		Current Year 2023/24											
Description	2022/23	Current Year 2023/24											
		Audited Outcome	Original Budget	Monthly Actuals	YTD Actuals	YTD Budget	YTD Variance %	YTD Variance	Full Year Forecast				
R thousands													
Financial Performance													
Property rates	2 893 537	3 584 747	155 844	1 718 134	1 792 373	(74)	-4%	3 584 747					
Service charges	2 262	4 727	1 972	2 363	2 363	(391)	-17%	4 727					
Investment revenue	74 146	56 654	3 975	23 486	28 327	(4 842)	-17%	56 654					
Other own revenue	2 969 945	3 646 128	160 131	1 743 592	1 823 064	(79 472)	-4%	3 646 128					
Employee costs	449 694	450 588	40 514	238 064	225 294	12 770	6%	450 588					
Renovation of Board Members	47	827	304	357	414	(57)	-14%	827					
Depreciation and asset impairment	276 206	264 237	34 223	205 503	132 119	73 385	56%	264 237					
Interest	3 385	179 237	14 936	89 619	89 619	0	0%	179 237					
Inventory consumed and bulk purchases	2 116 616	2 254 423	141 035	1 366 052	1 127 212	238 841	21%	2 254 423					
Transfers and grants	-	120 000	-	60 000	60 000	(60 000)	-100%	120 000					
Other expenditure	380 421	126 180	3 440	32 541	63 090	(30 549)	-48%	126 180					
Total Expenditure	3 226 368	3 395 493	234 452	1 932 136	1 697 746	234 389	14%	3 395 493					
Surplus/(Deficit)	(256 423)	250 636	(74 322)	(188 543)	125 317	(313 861)	-250%	250 636					
Transfers and subsidies - capital (monetary allocation)	57 068	68 058	198	2 023	34 029	(32 005)	-94%	68 058					
Transfers and subsidies - capital (in-kind)	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217%	318 693					
contributions	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217%	318 693					
Income Tax													
Surplus/(Deficit) for the year	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217%	318 693					
Capital expenditure & funds sources													
Capital expenditure													
Transfers recognised - capital	54 263	67 300	287	20 592	33 650	(13 058)	-39%	67 300					
Borrowing	93 708	141 393	6 973	20 351	70 697	(50 346)	-71%	141 393					
Internally generated funds	147 961	208 693	7 260	40 943	104 347	(63 404)	-61%	208 693					
Financial position													
Total current assets	4 525 623	7 23 512	107 346	1 07 346				7 23 512					
Total non current assets	7 507 247	7 493 940	(72 027)	156 934				7 493 940					
Total current liabilities	2 771 202	943 680		1 56 934				943 680					
Total non current liabilities	1 362 475	1 465 600	127	127				1 465 600					
Community wealth/Equity	7 899 193	5 808 171		(121 742)				5 808 171					
Cash flows													
Net cash from (used) operating	151 712	129 212	(26 098)	53 825	90 956	(37 132)	-41%	129 212					
Net cash from (used) investing	(153 693)	(219 599)	(13 678)	(48 199)	(109 800)	(887)	-56%	(219 599)					
Net cash from (used) financing	(1 584)	(1 774)		264 417	(892)		-100%	(1 774)					
Cash/cash equivalents at the year end	8 691	(54 484)	26 553	264 417	265 309		-29737%	(79 906)					
Debtors & creditors analysis													
31-60 Days	165 763	21 174	24 155	18 836	12 401	48 578		165 763					
61-90 Days													
121-150 Dys													
151-180 Dys													
181 Dys-1 Yr													
Over 1Yr													
Total	215 170	21 174	24 155	18 836	12 401	48 578		215 170					
Debtors Age Analysis													
Total By Income Source	165 763	21 174	24 155	18 836	12 401	48 578		165 763					
Total Creditors	215 170	21 174	24 155	18 836	12 401	48 578		215 170					

F2: Financial Performance (Revenue & Expenditure)

Centlec - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

		2022/23							Current Year 2023/24						
R thousands	Revenue By Source	Audited	Original	Monthly	YTD Actuals	YTD Budget	YTD Budget	YTD	Variance	YTD	Variance %	Full Year	Forecast		
		Outcome	Budget	Actuals	Actuals	Actuals	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
	Exchange Revenue	2 893 537	3 584 747	155 844	1 718 134	1 792 373	1 792 373	(74 239)	-4.1%	3 584 747	-4.1%				
	Sale of Goods and Rendering of Services	7 621	11 218	573	3 584	5 609	(2 025)	-36.1%	11 218	-36.1%					
	Interest earned from Receivables	24 881	29 846	3 161	18 624	14 923	3 701	24.8%	29 846	24.8%					
	Interest earned from Current and Non Current Assets	2 262	4 727	312	1 972	2 363	(391)	-16.5%	4 727	-16.5%					
	Operational Revenue	29 259	1 580	(23)	(133)	790	(922)	-116.8%	1 580	-116.8%					
	Fines, penalties and forfeits	4 163	3 833	264	1 410	1 917	(507)	-26.4%	3 833	-26.4%					
	Gains on disposal of Assets	1 149	9 793			4 896	(4 896)	-100.0%	9 793	-100.0%					
	Other Gains	7 073	385			192	(192)	-100.0%	385	-100.0%					
	Total Revenue (excluding capital transfers and contributions)	2 969 945	3 646 128	160 131	1 743 592	1 823 064	(79 472)	-4.4%	3 646 128	-4.4%					
	Expenditure By Type														
	Employee related costs	449 694	450 588	40 514	238 064	225 294	12 770	5.7%	450 588	5.7%					
	Remuneration of board members	47	827	304	357	414	(57)	-13.8%	827	-13.8%					
	Bulk purchases - electricity	2 114 613	2 199 932	135 445	1 336 893	1 099 966	236 927	21.5%	2 199 932	21.5%					
	Inventory consumed	2 003	54 491	5 590	29 159	27 246	1 914	7.0%	54 491	7.0%					
	Debt impairment	3 385	179 237	14 936	89 619	89 619	0	0.0%	179 237	0.0%					
	Depreciation and asset impairment	272 821	85 000	19 286	115 885	42 500	73 385	172.7%	85 000	172.7%					
	Interest	49 414	254	21	127	127			254						
	Contracted services	115 626	179 196	9 370	60 646	89 598	(28 952)	-32.3%	179 196	-32.3%					
	Transfers and subsidies	120 000	120 000			60 000	(60 000)	0.0%	120 000	0.0%					
	Irrecoverable debts written off	(56 752)	125 968	8 985	61 386	62 984	(1 598)	-2.5%	125 968	-2.5%					
	Operational costs	243 011	125 968	8 985	61 386	62 984	(1 598)	-2.5%	125 968	-2.5%					
	Losses on disposal of Assets	29 431													
	Other Losses	3 076													
	Total Expenditure	3 226 368	3 395 493	234 452	1 932 136	1 697 746	234 389	13.8%	3 395 493	13.8%					
	Surplus/(Deficit)	(256 423)	250 636	(74 322)	(188 543)	125 317	(313 861)	-250.5%	250 636	-250.5%					
	Transfers and subsidies - capital (monetary)	57 068	68 058	198	2 023	34 029	(32 005)	-94.1%	68 058	-94.1%					
	Transfers and subsidies - capital (in-kind)														
	Surplus/(Deficit) before taxation	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217.1%	318 693	-217.1%					
	Income tax														
	Surplus/(Deficit) for the year	(199 356)	318 693	(74 124)	(186 520)	159 346	(345 866)	-217.1%	318 693	-217.1%					

F3: Capital Expenditure

Centec - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December

		2022/23		Current year 2023/24					
Description	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	R thousands
Infrastructure	117 703	168 885	6 389	37 526	84 442	46 917	55,6%	168 885	
Electrical Infrastructure	117 703	168 885	6 389	37 526	84 442	46 917	55,6%	168 885	
Power Plants	-	-	-	-	-	-	-	-	
HV Substations	2 557	6 000	659	3 000	2 341	2 341	78,0%	6 000	
HV Switching Station	-	-	-	-	-	-	-	-	
HV Transmission Conductors	(190)	7 500	-	2 844	3 450	606	17,6%	6 300	
MV Substations	-	-	-	-	-	-	-	-	
MV Switching Stations	-	-	-	-	-	-	-	-	
MV Networks	8 069	21 350	1 192	4 274	10 675	6 401	60,0%	21 350	
LV Networks	107 267	134 035	4 537	29 749	67 317	37 569	55,8%	135 235	
Community Assets	1 692	24 709	132	643	11 895	11 252	94,6%	21 494	
Centres	1 692	23 909	132	643	11 526	10 883	94,4%	20 909	
Sport and Recreation Facilities	-	800	-	-	369	369	100,0%	585	
Outdoor Facilities	-	800	-	-	369	369	100,0%	585	
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10,6%	4 715	
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10,6%	4 715	
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25,6%	4 000	
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25,6%	4 000	
Machinery and Equipment	-	1 100	-	46	550	504	91,7%	1 100	
Machinery and Equipment	-	1 100	-	46	550	504	91,7%	1 100	
Transport Assets	22 607	8 500	-	-	4 250	4 250	100,0%	8 500	
Transport Assets	22 607	8 500	-	-	4 250	4 250	100,0%	8 500	
Transport Assets	22 607	8 500	-	-	4 250	4 250	100,0%	8 500	
Living resources	-	67 300	287	20 592	33 650	13 058	39%	67 300	
Mature	-	53 000	22	16 838	26 500	9 662	36%	53 000	
Police and Protection	9 348	14 300	266	3 754	7 150	3 396	47%	14 300	
Total Capital Expenditure	147 961	208 693	7 260	40 943	104 347	63 404	60,8%	208 693	
Funded by:									
National Government	44 904	53 000	22	16 838	26 500	9 662	36,5%	53 000	
Provincial Government	9 348	14 300	266	3 754	7 150	3 396	47,5%	14 300	
Parent Municipality	-	-	-	-	-	-	-	-	
District Municipality	-	-	-	-	-	-	-	-	
Transfers recognised - capital	54 253	67 300	287	20 592	33 650	13 058	38,8%	67 300	
Borrowing	93 708	141 393	6 973	20 351	70 697	50 346	71,2%	141 393	
Internally generated funds	-	-	-	-	-	-	-	-	
Total Capital Funding	147 961	208 693	7 260	40 943	104 347	63 404	60,8%	208 693	

F4: Financial Position

Centlec - Table F4 Monthly Budget Statement - Financial Position - M06 December

Vote Description		Ref	2022/23			Current Year 2023/24		
			Audited Outcome	Budget	Original	YearTD actual	Full Year Forecast	
R thousands								
ASSETS								
Cash and cash equivalents								
	Cash and cash equivalents		24 295	31 099	(22 180)	31 099	589 107	
	Trade and other receivables from exchange transactions		548 408	589 107	21 518			
	Receivables from non-exchange transactions							
	Current portion of non-current receivables		127 054	103 306	34 465	103 306		
	Inventory				73 542			
	VAT		3 825 866					
	Other current assets							
Total current assets								
			4 525 623	723 512	107 346	723 512		
Non current assets								
	Investments							
	Investment property		6 092 093	6 213 973	(72 027)	6 213 973		
	Property, plant and equipment							
	Biological assets							
	Living and non-living resources		93 429	85 169	(2 914)	85 169		
	Intangible assets							
	Trade and other receivables from exchange transactions							
	Non-current receivables from non-exchange transactions		1 415 154	1 279 967		1 279 967		
	Other non-current assets							
Total non current assets								
			7 507 247	7 493 940	(72 027)	7 493 940		
TOTAL ASSETS								
			12 032 869	8 217 451	35 319	8 217 451		
LIABILITIES								
Current liabilities								
	Bank overdraft							
	Financial liabilities		27 708	27 708	(7)	27 708		
	Consumer deposits		159 373	122 122	156 941	122 122		
	Trade and other payables from exchange transactions		2 611 829	793 851		793 851		
	Trade and other payables from non-exchange transactions		31 857	39 823		39 823		
	Provision							
	VAT		4 020 579		81 554			
	Other current liabilities							
Total current liabilities								
			2 771 202	943 680	156 934	943 680		
Non current liabilities								
	Financial liabilities		1 511		127			
	Provision							
	Long term portion of trade payables		1 360 963	1 465 600		1 465 600		
	Other non-current liabilities							
	Total non current liabilities		1 362 475	1 465 600	127	1 465 600		
TOTAL LIABILITIES								
			4 133 677	2 409 281	157 061	2 409 281		
NET ASSETS								
			7 899 193	5 808 171	(121 742)	5 808 171		
COMMUNITY WEALTH/EQUITY								
	Accumulated Surplus/(Deficit)		3 783 750	3 369 572	(121 742)	3 369 572		
	Reserves		4 115 442	2 438 599		2 438 599		
TOTAL COMMUNITY WEALTH/EQUITY								
			7 899 193	5 808 171	(121 742)	5 808 171		

F5: Cash Flows

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

Description	2022/23		Current Year 2023/24				Full Year Forecast
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	
R thousands							
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	2 867 851	3 399 585	274 145	2 033 009	1 699 793	333 217	19.6%
Service charges	28 571	67 300	549	5 569	10 280	(4 711)	-45.8%
Other revenue	25 299	32 619	312	1 900	16 309	(14 410)	-88.4%
Government - capital	(2 760 334)	(3 270 622)	(300 741)	(1 982 876)	(1 635 311)	(347 565)	21.3%
Government - operating	(9 675)	(229)	(364)	(3 777)	(114)	(3 663)	3202.2%
Interest (Bank & Investments)	(2 760 334)	(3 270 622)	(300 741)	(1 982 876)	(1 635 311)	(347 565)	21.3%
Dividends	(9 675)	(229)	(364)	(3 777)	(114)	(3 663)	3202.2%
Dividends paid	(2 760 334)	(3 270 622)	(300 741)	(1 982 876)	(1 635 311)	(347 565)	21.3%
Transfers and Grants	(120 000)	(120 000)					
Suppliers and employees	(2 760 334)	(3 270 622)	(300 741)	(1 982 876)	(1 635 311)	(347 565)	21.3%
Finance charges	(9 675)	(229)	(364)	(3 777)	(114)	(3 663)	3202.2%
NET CASH FROM/(USED) OPERATING ACTIVITIES	151 712	129 212	(26 098)	53 825	90 956	(37 132)	-40.8%
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	275	9 285			4 642	(4 642)	-100.0%
Decrease (increase) in non-current debtors							
Decrease (increase) in other non-current receivables							
Decrease (increase) in non-current investments							
Payments							
Capital assets	(153 968)	(228 884)	(13 678)	(48 199)	(114 442)	66 243	-57.9%
NET CASH FROM/(USED) INVESTING ACTIVITIES	(153 968)	(219 599)	(13 678)	(48 199)	(109 800)	61 600	-56.1%
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans							
Borrowing long term/financing							
Increase (decrease) in consumer deposits	(1 584)	(1 774)			(887)	887	-100.0%
Payments							
Repayment of borrowing (MMM)							
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1 584)	(1 774)			(887)	887	-100.0%
NET INCREASE/(DECREASE) IN CASH HELD	(3 565)	(92 162)	(39 776)	5 625	(19 731)	25 356	-128.5%
Cash/cash equivalents at the year begin:	12 256	37 677	66 329	258 791	18 839	239 963	1273.7%
Cash/cash equivalents at the year end:	8 691	(54 484)	26 553	264 417	(892)	265 309	-29736.5%
	(92 162)	(92 162)	(39 776)	5 625	(19 731)	25 356	-128.5%
	(1 774)	(1 774)			(887)	887	-100.0%
	(153 968)	(219 599)	(13 678)	(48 199)	(109 800)	61 600	-56.1%
	(1 584)	(1 774)			(887)	887	-100.0%
	(3 565)	(92 162)	(39 776)	5 625	(19 731)	25 356	-128.5%
	12 256	37 677	66 329	258 791	18 839	239 963	1273.7%
	8 691	(54 484)	26 553	264 417	(892)	265 309	-29736.5%
	(79 906)						

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors' Analysis (Supporting Table SF3)

The debtors report has been prepared on the basis of the prescribed format required to be submitted to the Parent Municipality. This format provides an extended aged analysis (per group and per type). Table SF3. The net debtors balance for the mid-year period ended 31 December 2023 is R 1,045 billion.

Centec (Soc) Ltd- Debtors Age Analysis by Revenue Source as at 31 December 2023:

Detail		R thousands		Debtors Age Analysis By		Total By Income Source		Debtors Age Analysis By		Total By Customer Group	
NT Code	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Over 1 Year	Actual Bad Debts	Written Off Against	Debtors Council Policy
0-	31	31	61	91	121	151	181 Days -	Over 1 Year	Total	Total	Debtors Council Policy
1300	165 763 333	21 174 402	27 295 076	24 154 787	16 835 811	12 400 950	48 578 017	729 395 883	1 045 598 259	831 365 448	
Electricity											
Total	1300	165 763 333	21 174 402	27 295 076	24 154 787	16 835 811	12 400 950	48 578 017	729 395 883	1 045 598 259	831 365 448
Debtors Age Analysis By	Customer Group	2200	31 639 596	13 300 082	17 182 622	17 217 601	14 429 502	9 775 318	43 625 499	540 742 061	625 789 981
Organs of State	2200	31 639 596	13 300 082	17 182 622	17 217 601	14 429 502	9 775 318	43 625 499	540 742 061	625 789 981	
Commercial	2300	124 711 330	7 406 722	9 709 056	6 547 644	2 096 615	2 391 427	3 660 964	65 117 025	221 640 783	79 813 675
Households	2400	9 412 407	467 598	403 398	389 542	309 694	1 291 554	1 235 367 797	136 045 195	125 761 792	
Other	2500										
Total	2600	165 763 333	21 174 402	27 295 076	24 154 787	16 835 811	12 400 950	48 578 017	729 395 883	1 045 598 259	831 365 448
Total By Customer Group	2600	165 763 333	21 174 402	27 295 076	24 154 787	16 835 811	12 400 950	48 578 017	729 395 883	1 045 598 259	831 365 448

Centec (Soc) Ltd - Supporting Table F3 Entry Aged debtors - M06 December

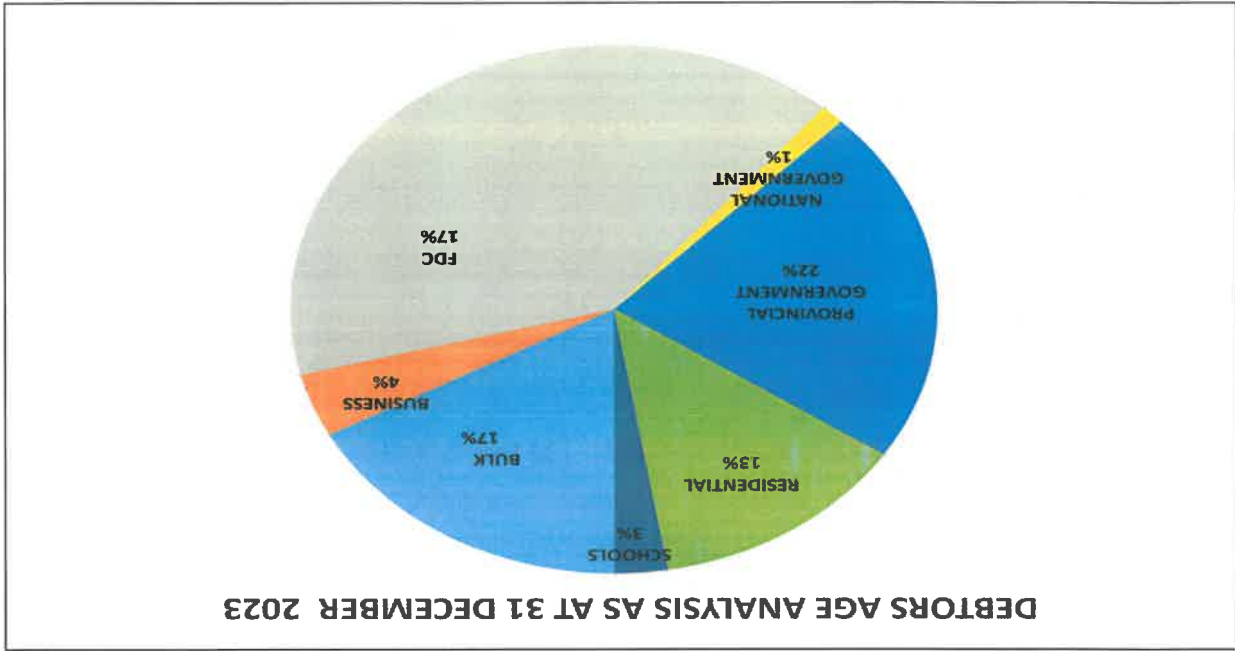
Current Year 2023/24

Centec (Soc) Ltd- Debtors Age Analysis by Customer Group as at 31 December 2023:
 The following chart illustrates that the major debt is reflected in the over 1 year category. An amount of R 580,125 million is outstanding in this category (1 year and older), with R 396,396 million attributable to organs of state.

Debtors Age Analysis		By Customer Group		NT Code		0 - 30 Days		31 -		61 -		91 -		120 Days		150 Days		181 Days -		Over 1 Year		Total		
2200	31 639 596	13 300 082	17 182 622	17 217 601	14 429 502	9 775 318	43 625 499	540 742 061	625 789 981															
Organs of State	2200	31 639 596	13 300 082	17 182 622	17 217 601	14 429 502	9 775 318	43 625 499	540 742 061	625 789 981														
Commercial	2300	124 711 330	7 406 722	9 709 056	6 547 644	2 096 615	2 391 427	3 660 964	65 117 025	221 640 783	79 813 675													
Households	2400	9 412 407	467 598	403 398	389 542	309 694	1 291 554	1 235 367 797	136 045 195	125 761 792														
Other	2500																							
Total	2600	165 763 333	21 174 402	27 295 076	24 154 787	16 835 811	12 400 950	48 578 017	729 395 883	1 045 598 259	831 365 448													
Total By Customer Group	2600	165 763 333	21 174 402	27 295 076	24 154 787	16 835 811	12 400 950	48 578 017	729 395 883	1 045 598 259	831 365 448													

- The total outstanding debtors >90 days balance as at 31 December 2023 amounts to R 831,365 million for the mid-year.

Commentary on the Outstanding Debtors account (Table SF3)



The following chart indicates the outstanding debtors:

Description	Sum of Current Ageing	Sum of 30 Days Ageing	Sum of 60 Days Ageing	Sum of 90 Days Ageing	Sum of 120+ Days Ageing	Sum of Total Ageing
BULK	104 535 338	14 349 404	7 173 950	9 534 240	43 028 010	178 620 941
BUSINESS	4 882 521	446 494	221 616	170 728	34 802 378	40 523 737
CHURCHES	192 904	16 975	6 759	3 956	1 581 636	1 802 231
CRECHE	28	28	28	28	230 321	230 434
EDUCATION - UNIVERSITY	156 018	131 182	4 369	105	18 746	310 419
FDC	2 620 609	2 583 044	2 583 044	2 583 044	409 612 638	419 982 380
NATIONAL GOVERNMENT	6 071 266	1 049 463	222 194	216 552	4 889 648	12 449 123
INDIGENTS	373	373	373	475	995	2 589
MUNICIPAL	438	-	-	-	-	438
PROVINCIAL GOVERNMENT	8 445 437	8 771 368	10 129 685	14 018 436	186 569 054	227 933 980
RESIDENTIAL	8 760 950	650 711	467 226	402 923	125 760 794	136 042 604
SCHOOLS	1 789 024	309 383	365 159	364 591	24 718 642	27 546 799
TRAINING AND DEVELOPMENT	-	-	-	-	152 585	152 585
TOTAL	137 454 906	28 308 426	21 174 401	27 295 076	831 365 447	1 045 598 259

The following chart indicates the outstanding debtors per customer group:

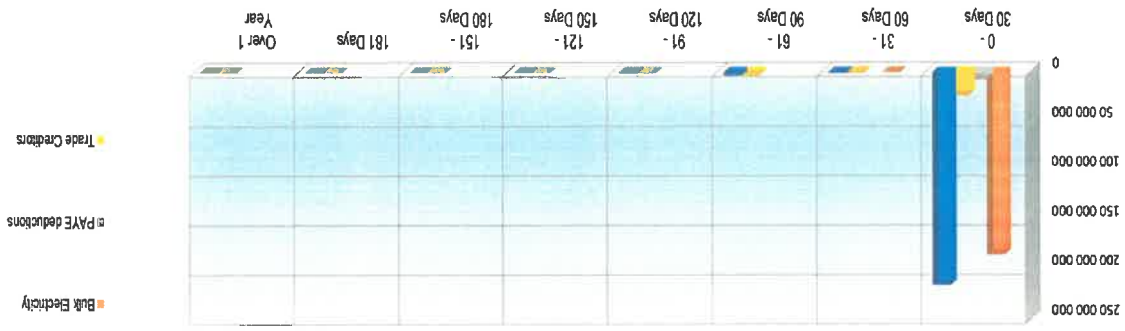
2.2 Creditors' Analysis (Supporting Table SF4)

The Creditors report has been prepared on the basis of the prescribed format required to be submitted to the Parent Municipality. This format provides an extended aged analysis (per type). The total creditors amounted to R 357, million for the mid-year period ended 31 December 2023.

Centec (SOC) Ltd - Supporting Table F4 Entity Aged creditors - M06 December										
Current Year 2023/24										
Detail	R thousands									
	NT code	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	184 297								184 297
Bulk Water	0200									
PAYE deductions	0300	7 250								7 250
VAT (output less input)	0400									
Pensions / Retirement deductions	0500									
Loan repayments	0600									
Trade Creditors	0700	23 623	910	3 339	778					28 650
Auditor General	0800									
Other	0900									
Total By Customer Type		215 170	910	3 339	778					220 196

The following chart indicates the outstanding creditors:

Age Creditors as at 31 December 2023



Commentary on the Outstanding Creditors account (Table SF4)

- The total outstanding creditors >31days balances as at 31 December 2023 amounts to R 5,027 million.
- Creditors >31days for R 5,027 million is due cash flow constraints and under collection of debt.

2.3 Investment Portfolio Analysis (Annexure B: SF5)

INVESTMENTS (R THOUSANDS)	YTD CLOSING BALANCE AS AT 31 DECEMBER 2023
ABSA - 1 Day Account	35
Total Investments	35

The table below indicates the status of the investment portfolio and detail of the instruments of where the funds are invested which amounts to R 34,757 as at 31 December 2023. The interest received for the month ending 31 December 2023 for all investment accounts amounts to R 32,879.

1 Day Call Account Investment as at end of 31 December 2023:

Centec - Supporting Table F5 Entity investment portfolio monthly statement - M06 December

Investment by Maturity	Name of institution & investment ID	Period of investment	Type of investment	Expiry date of investment	Opening Balance	Interest to be realised	Interest to be realised	Partial/Premature Withdrawal (4)	Investment Top Up	Closing Balance
ABSA - 1 Day Account		February 2013	Call Account	n/a	40 939	33		(40 937)		35
Total investments					40 939	33		(40 937)		35

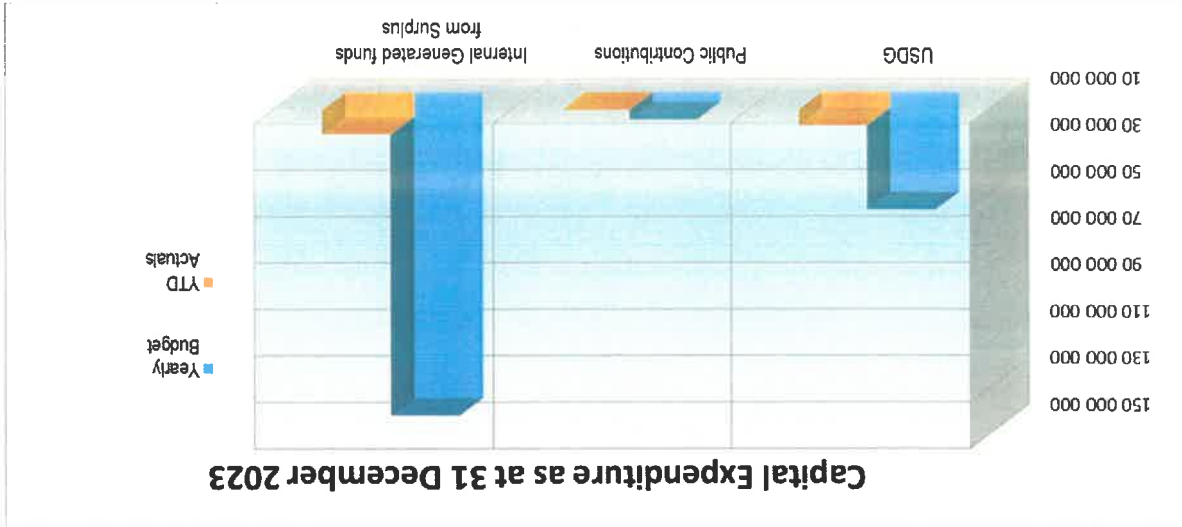
2.4 Capital Programme Performance

The Capital expenditure report shown in **Annexure B** has been prepared based on the prescribed format required to be submitted to the Parent Municipality and is categorized into major output "type". The actual spending to date is R 40,943 million (20%) on the year to date budget allocation of R 208,693 million.

Summary Statement of Capital Expenditure – Financing

Description	Yearly Budget	YTD Actuals	YTD Variance Fav/(Unfav)	YTD %
USDG	53 000	16 838	36 162	32%
Public Contributions	14 300	3 754	10 546	26%
Internal Generated funds from Surplus	141 393	20 351	121 042	14%
Total Financing	208 693	40 943	167 750	20%

The following chart indicates the capital expenditure funding for the year ending 31 December 2023.



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

Centlec - Table F3 Monthly Budget Statement - Capital Expenditure - M06 December									
Current year 2023/24									
Description	2022/23		Current year 2023/24						
	Audited Outcome	Budget	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Capital expenditure by Asset Class/Sub-class									
Infrastructure	117 703	168 885	6 389	37 526	84 442	46 917	55.6%	168 885	168 885
Electrical Infrastructure	117 703	168 885	6 389	37 526	84 442	46 917	55.6%	168 885	168 885
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	2 557	6 000	659	659	3 000	2 341	78.0%	6 000	6 000
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	(190)	7 500	-	2 844	3 450	606	17.6%	6 300	6 300
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	8 069	21 350	1 192	4 274	10 675	6 401	60.0%	21 350	21 350
LV Networks	107 267	134 035	4 537	29 749	67 317	37 569	55.8%	135 235	135 235
Community Assets	1 692	24 709	132	643	11 895	11 252	94.6%	21 494	21 494
Centres	1 692	23 909	132	643	11 526	10 883	94.4%	20 909	20 909
Sport and Recreation Facilities	-	800	-	-	369	369	100.0%	585	585
Outdoor Facilities	-	800	-	-	369	369	100.0%	585	585
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10.6%	4 715	4 715
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10.6%	4 715	4 715
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25.6%	4 000	4 000
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25.6%	4 000	4 000
Machinery and Equipment	-	1 100	-	46	550	504	91.7%	1 100	1 100
Machinery and Equipment	-	1 100	-	46	550	504	91.7%	1 100	1 100
Transport Assets	22 607	8 500	-	-	4 250	4 250	100.0%	8 500	8 500
Transport Assets	22 607	8 500	-	-	4 250	4 250	100.0%	8 500	8 500
Living resources	-	67 300	287	20 592	33 650	13 058	39%	67 300	67 300
Living resources	-	67 300	287	20 592	33 650	13 058	39%	67 300	67 300
Mature	-	53 000	22	16 838	26 500	9 662	36%	53 000	53 000
Mature	-	53 000	22	16 838	26 500	9 662	36%	53 000	53 000
Policing and Protection	9 348	14 300	266	3 754	7 150	3 396	47%	14 300	14 300
Policing and Protection	9 348	14 300	266	3 754	7 150	3 396	47%	14 300	14 300
Total Capital Expenditure	147 961	208 693	7 260	40 943	104 347	63 404	60.8%	208 693	208 693
Funded by:									
National Government	44 904	53 000	22	16 838	26 500	9 662	36.5%	53 000	53 000
Provincial Government	9 348	14 300	266	3 754	7 150	3 396	47.5%	14 300	14 300
Parent Municipality	9 348	14 300	266	3 754	7 150	3 396	47.5%	14 300	14 300
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	54 253	67 300	287	20 592	33 650	13 058	38.8%	67 300	67 300
Borrowing	93 708	141 393	6 973	20 351	70 697	50 346	71.2%	141 393	141 393
Internally generated funds	93 708	141 393	6 973	20 351	70 697	50 346	71.2%	141 393	141 393
Total Capital Funding	147 961	208 693	7 260	40 943	104 347	63 404	60.8%	208 693	208 693

2.5 Other Supporting Tables

Supporting Table SF 1 – Material variance explanation

Supporting Table SF 2 – Financial and Non-Financial Indicators

Supporting Table SF3 – Aged Debtors

Supporting Table SF4 – Aged Creditors

Supporting Table SF5 – Investment Portfolio

Supporting Table SF6 – Board member allowances and staff benefits

Supporting Table SF7 – Monthly Actuals & revised targets

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

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

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

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

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

Supporting Table SF 1 – Material variances explanations

Centec - Supporting Table F1 Entry Material variance explanation - M06 December

R thousands	Description	Variance	Reasons for material deviations	Remedial or corrective steps / remarks
	Revenue items			
	Service charges - electricity revenue	(74 239)	YTD unfavourable variance against the YTD Budget. The variance is due to customers moving away from the grid.	None.
	Interest earned - external investments	(391)	YTD unfavourable variance against the YTD Budget. The interest received was lower than the anticipated budget.	None.
	Interest earned - outstanding debtors	3 701	YTD favourable variance against the YTD Budget is due to estimates charged.	None.
	Operational Revenue	(922)	YTD unfavourable variance against the YTD Budget is due to lower collection received on other revenue line items.	None.
	Expenditure items			
	Employee related costs	12 770	YTD unfavourable variance against the YTD Budget is due to increments on third parties, bonuses, long service payments and appointment of new employees	Monitor spending on employees related costs.
	Bulk purchases	236 927	YTD unfavourable variance against the YTD Budget. The variance is due to winter consumption charged for July and August and tariff increase.	None.
	Contracted services	(28 952)	YTD favourable variance (Savings) than the anticipated YTD budget is due to underspending on contracted services.	None.
	Operational Costs	(1 598)	YTD favourable variance (savings) than the anticipated YTD budget is due to underspending on operational line items.	None.
	Capital Expenditure items			
	Capital Expenditure projects	50 346	YTD unfavourable variance against the anticipated YTD is due to slow implementation of Capital projects.	None.
	Cash flow items			
	Ratepayers and other	333 217	YTD favourable variance against the YTD Budget. The variance is due to increase in electricity consumption.	None.
	Suppliers and employees	(347 565)	YTD unfavourable variance against the YTD Budget. The expenditure was higher than the anticipated budget due to Eskom payments.	None.
	Capital assets	66 243	YTD unfavourable variance is due to slow implementation of capital projects.	None.
	Measurable performance			
	Total variance			

Supporting Table SF 2 – Financial and Non-Financial Indicators

Centlec - Supporting Table F2 Entity Financial and non-financial indicators - M06 December					
Description of financial indicator	Basis of calculation	Ref	2022/23		Current Year 2023/24
			Audited Outcome	Budget	
Borrowing Management			0.0%	0.4%	0.0%
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.0%	0.0%	0.0%
Capital Charges to Operating Expenditure	Interest & Depreciation/Operating Expenditure		10.0%	2.5%	8.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%
Safety of Capital					
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		17.2%	25.2%	(0.1%)
Liquidity					
Gearing	Long Term Borrowing/ Funds & Reserves		163.3%	76.7%	68.4%
Current Ratio	Current assets/current liabilities		163.3%	76.7%	68.4%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		162.4%	73.2%	67.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.9%	3.3%	(14.1%)
Revenue Management					
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0.0%	0.0%	112.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		18.5%	16.2%	13.4%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	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 Funded	Unfunded Provisions/Total Provisions				
Other Indicators					
Electricity Distribution Losses	% Volume (total units purchased + generated less total units sold)/Total units purchased + own source	1			
Water Distribution Losses	% Volume (Total units purchased + own source generated less total units sold)/Total units purchased + own source	2			8.67%
Financial Viability Indicators					
Employee costs	Employee costs/Total Revenue - capital revenue		15.1%	12.4%	13.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.8%	2.3%	12.1%
iii. Cost coverage					
ii. O/S Service Debtors to Revenue	(Total Operating Revenue - Operating Grants)/Debt service payments due within Total outstanding service debtors/annual revenue received for services		11739.4%	11178.1%	8429.3%
i. Debt coverage	(Available cash + Investments)/monthly fixed operational expenditure		18.9%	16.4%	1.2%
			0.0%	0.0%	0.0%

Supporting Table SF5 – Investment Portfolio

Centre - Supporting Table F5 Entity investment portfolio monthly statement - M06 December										
Investment by Maturity & Name of Institution & Investment ID	Period of Investment	Type of Investment	Expiry date of Investment	Opening Balance	Interest to be realised	Interest to be realised	Interest to be realised	Partial/Withdrawal (4)	Investment Top Up	Closing Balance
ABSA - 1 Day Account	February 2013	Call Account	n/a	40 939	33			(40 937)		35
Total Investments				40 939	33			(40 937)		35

Supporting Table SF6 – Board member allowances & staff benefits

Centre - Supporting Table F6 Entity Board member allowances & staff benefits - M06 December									
Summary of Employee and Board Member remuneration	Ref	2022/23		Current Year 2023/24					
		Audited Outcome	Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Forecast
Remuneration		47	827	304	357	414	(57)		827
Board Members of Entities		47	827	304	357	414	(57)		827
Board Salaries and Wages		47	827	304	357	414	(57)		827
Sub Total - Board Members of Entities	3	47	827	304	357	414	(57)		827
% Increase			1665.3%						
Senior Managers of Entities		8 721	11 647	453	3 808	5 824	(2 016)		11 647
Basic Salaries and Wages		8 721	11 647	453	3 808	5 824	(2 016)		11 647
Pension and UIF Contributions		15	16	1	6	8	(2)		16
Motor Vehicle Allowance		2 130	1 313	138	1 061	405	61.7%		1 313
Celphone Allowance		110	116	5	44	58	(14)		116
Other benefits and allowances		0	1	0	0	0	(0)		1
Sub Total - Senior Managers of Entities	1	10 975	13 093	598	4 920	6 547	(1 626)		13 093
% Increase			19.3%						
Other Staff of Entities		252 291	249 590	24 072	134 779	124 795	9 984		249 590
Basic Salaries and Wages		48 520	62 491	4 606	25 618	31 246	(5 628)		62 491
Pension and UIF Contributions		26 143	41 360	2 292	13 736	20 680	(6 945)		41 360
Medical Aid Contributions		49 523	28 241	3 705	27 344	14 121	13 223		28 241
Overtime		20 032	18 632	2 042	10 289	9 316	973		18 632
Performance Bonus		25 617	18 134	2 312	13 641	9 067	4 574		18 134
Motor Vehicle Allowance		701	718	60	358	359	(2)		718
Celphone Allowance		1 775	8 358	164	971	4 179	(3 207)		8 358
Other benefits and allowances		760	8 508	646	5 320	4 264	1 066		8 508
Payments in lieu of leave		1 070	-	15	-	-	-		1 463
Long service awards		1 775	-	-	-	-	-		1 463
Scarcity		1 070	-	15	-	-	-		1 463
Sub Total - Other Staff of Entities	1	438 718	437 495	39 916	233 144	218 749	14 395		437 495
% Increase			-0.3%						
Total Municipal Entities remuneration	3	449 741	451 416	40 818	238 421	225 709	12 712		451 416

Supporting Table SF7 – Monthly actuals & revised targets

Center - Supporting Table F7 Entry monthly actuals & revised targets - M06 December

Description	Budget Year 2023/24												Expenditure Framework	
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget	Budget
Thousands	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget	Budget
Cash Receipts By Source	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome
Service charges - electricity revenue	306 624	391 935	361 380	422 665	276 261	274 145							(2 033 009)	(1 900)
Interest earned - external investments	405	380	271	202	331	312								(5 589)
Other revenue	546	838	2 022	514	1 099	549								
Total Cash Receipts by Source	307 575	393 152	363 673	423 380	277 691	275 006							(2 040 478)	
Cash Payments by Type														
Employee related costs	20 353	44 302	30 639	31 631	19 991	45 779							(192 695)	(357)
Remuneration of councillors					52	304								
Bulk purchases - electricity	248 751	248 681	319 941	309 689	184 980	194 960							(1 507 002)	(54 955)
Contracted services	73	15 146	7 048	15 603	5 545	11 541							(199 120)	(199 120)
Other expenditure	6 456	59 454	19 621	49 539	19 227	44 823							(1 954 129)	
Cash Payments by Type	275 633	367 583	377 249	406 461	229 795	297 407								
Other Cash Flows/Payments by Type														
Capital assets	1 919	8 248	14 765	9 590	13 678								(48 199)	
Other Cash Flows/Payments	15 881	957	1 352	299	10 338	3 697							(32 525)	
Total Cash Payments by Type	291 514	370 459	386 849	421 525	249 723	314 782							(2 034 853)	
NET INCREASE/(DECREASE) IN CASH HELD	16 061	22 693	(23 176)	1 856	27 969	(39 776)							(5 825)	
Cash/cash equivalents at the month/year begin:	20 928	36 988	59 681	36 505	38 360	66 329							26 553	20 928
Cash/cash equivalents at the month/year end:	36 988	59 681	36 505	38 360	66 329	26 553							26 553	20 928

- Supporting Table F8b Entry capital expenditure on the renewal of existing assets by asset class - M06 December									
Description	2022/23		Current Year 2023/24			R thousands			
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% variance	Forecast Full Year
Infrastructure	4 306	13 855	1 855	5 108	6 928	1 820	26.3%	26.3%	13 855
Roads Infrastructure	4 306	13 855	1 855	5 108	6 928	1 820	26.3%	26.3%	13 855
Electrical Infrastructure	4 306	13 855	1 855	5 108	6 928	1 820	26.3%	26.3%	13 855
HV Substations	2 557	1 500	659	659	750	91	12.2%	12.2%	1 500
MV Networks	575	9 250	1 192	4 274	4 625	351	7.6%	7.6%	9 250
LV Networks	1 174	3 105	3	174	1 553	1 378	88.8%	88.8%	3 105
Total Capital Expenditure on renewal of existing assets	4 306	13 855	1 855	5 108	6 928	1 820	26.3%	26.3%	13 855

category

Supporting Table Sf8 (b) – Capital expenditure on existing assets by asset

Centre - Supporting Table F8a Entry capital expenditure on new assets by asset class - M06 December									
Description	2022/23		Current Year 2023/24			R thousands			
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% variance	Forecast Full Year
Infrastructure	101 766	136 000	600	23 986	68 000	44 014	64.7%	64.7%	136 000
Roads Infrastructure	101 766	136 000	600	23 986	68 000	44 014	64.7%	64.7%	136 000
Electrical Infrastructure	101 766	136 000	600	23 986	68 000	44 014	64.7%	64.7%	136 000
HV Substations	4 500	4 500	-	-	2 250	2 250	100.0%	100.0%	4 500
MV Networks	2 777	7 100	-	-	3 550	3 550	100.0%	100.0%	7 100
LV Networks	98 988	124 400	600	23 986	62 200	38 214	61.4%	61.4%	124 400
Community Assets	1 692	24 709	132	643	11 895	11 252	94.6%	94.6%	21 494
Community Facilities	1 692	23 909	132	643	11 526	10 883	94.4%	94.4%	20 909
Centres	1 692	23 909	132	643	11 526	10 883	94.4%	94.4%	20 909
Sport and Recreation Facilities	-	800	-	-	369	369	100.0%	100.0%	585
Outdoor Facilities	-	800	-	-	369	369	100.0%	100.0%	585
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10.6%	10.6%	4 715
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10.6%	10.6%	4 715
Computer Equipment	4 748	4 500	740	2 038	2 281	243	10.6%	10.6%	4 715
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25.6%	25.6%	4 000
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25.6%	25.6%	4 000
Furniture and Office Equipment	1 210	1 000	-	691	929	237	25.6%	25.6%	4 000
Machinery and Equipment	-	1 100	-	46	550	504	91.7%	91.7%	1 100
Machinery and Equipment	-	1 100	-	46	550	504	91.7%	91.7%	1 100
Machinery and Equipment	-	1 100	-	46	550	504	91.7%	91.7%	1 100
Transport Assets	22 607	8 500	-	-	4 250	4 250	100.0%	100.0%	8 500
Transport Assets	22 607	8 500	-	-	4 250	4 250	100.0%	100.0%	8 500
Transport Assets	22 607	8 500	-	-	4 250	4 250	100.0%	100.0%	8 500
Total Capital Expenditure on new assets	28 565	15 100	740	2 775	8 009	5 235	65.4%	65.4%	18 315

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

Supporting Table S8 (c) – Expenditure on Repairs & Maintenance by asset category

category

- Supporting Table S8c Entry expenditure on repairs and maintenance by asset class - M06 December

Description	2022/23					Current Year 2023/24				
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% variance	Forecast	
R thousands										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	97 773	6 820	8 531	51 340	3 410	(47 930)	-1405.5%	6 820		
Roads Infrastructure	97 773	6 820	8 531	51 340	3 410	(47 930)	-1405.5%	6 820		
Electrical Infrastructure	92 429	1 874	8 071	48 462	937	(47 525)	-5071.2%	1 874		
Power Plants	5 345	4 775	460	2 878	2 388	(490)	-20.5%	4 775		
HV Substations	-	171	-	85	85	85	100.0%	171		
Other assets	6 660	20 532	653	3 202	10 266	7 064	68.8%	20 532		
Operational Buildings	6 660	20 532	653	3 202	10 266	7 064	68.8%	20 532		
Municipal Offices	6 660	20 532	653	3 202	10 266	7 064	68.8%	20 532		
Machinery and Equipment	879	1 617	52	342	809	467	57.7%	1 617		
Machinery and Equipment	879	1 617	52	342	809	467	57.7%	1 617		
Transport Assets	7 429	10 530	216	2 974	5 265	2 291	43.5%	10 530		
Transport Assets	7 429	10 530	216	2 974	5 265	2 291	43.5%	10 530		
Total Repairs and Maintenance Expenditure	112 740	39 499	9 452	57 858	19 750	(38 108)	-193.0%	39 499		

Supporting Table S8 (d) – Expenditure on Depreciation by asset category

- Supporting Table S8d Entry Depreciation by asset class - M06 December

Description	2022/23					Current Year 2023/24				
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% variance	Forecast	
R thousands										
Depreciation by Asset Class/Sub-class										
Infrastructure	208 045	54 402	16 945	101 698	27 201	(74 497)	-273.9%	54 402		
Roads Infrastructure	208 045	54 402	16 945	101 698	27 201	(74 497)	-273.9%	54 402		
Electrical Infrastructure	208 045	54 402	16 945	101 698	27 201	(74 497)	-273.9%	54 402		
Power Plants	4 700	-	-	-	-	-	-	-		
L V Networks	203 345	54 402	16 945	101 698	27 201	(74 497)	-273.9%	54 402		
Community Assets	3 566	1 806	297	1 783	903	(880)	-97.4%	1 806		
Community Facilities	3 566	1 806	297	1 783	903	(880)	-97.4%	1 806		
Halls	3 566	1 806	297	1 783	903	(880)	-97.4%	1 806		
Intangible Assets	8 504	6 587	709	4 533	3 293	(1 240)	-37.6%	6 587		
Services	8 504	6 587	709	4 533	3 293	(1 240)	-37.6%	6 587		
Licences and Rights	8 504	6 587	709	4 533	3 293	(1 240)	-37.6%	6 587		
Computer Software and Applications	8 504	6 587	709	4 533	3 293	(1 240)	-37.6%	6 587		
Furniture and Office Equipment	42 484	7 413	488	3 071	3 706	636	17.2%	7 413		
Furniture and Office Equipment	42 484	7 413	488	3 071	3 706	636	17.2%	7 413		
Machinery and Equipment	-	59	-	-	29	29	100.0%	59		
Machinery and Equipment	-	59	-	-	29	29	100.0%	59		
Transport Assets	10 223	14 733	847	4 800	7 367	2 567	34.8%	14 733		
Transport Assets	10 223	14 733	847	4 800	7 367	2 567	34.8%	14 733		
Total Depreciation	272 821	85 000	19 286	115 885	42 500	(73 385)	-172.7%	85 000		

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

- Supporting Table F8e Entry capital expenditure on the upgrading of existing assets by asset class - M06 December										
Description	2021/22		Current Year 2022/23							
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% variance	Full Year Forecast	
R thousands										
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure	11 632	19 030	3 934	8 432	9 515	1 083	11.4%		19 030	
Roads Infrastructure										
Electrical Infrastructure	11 632	19 030	3 934	8 432	9 515	1 083	11.4%	19 030		
HV Transmission Conductors	(190)	7 500	-	2 844	3 450	606	17.6%	6 300		
MV Networks	4 716	5 000	-	-	2 500	2 500	100.0%	5 000		
LV Networks	7 105	6 530	3 934	5 588	3 565	(2 023)	-56.8%	7 730		
Total Capital Expenditure on upgrading of existing assets	11 632	19 030	3 934	8 432	9 515	1 083	11.4%	19 030		

CERTIFICATION

Print Name Marianne Jeanette Lenta

ACTING CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD

Signature 

Date 2024/01/11

Accounting Officer's Certification:
I, Marianne Jeanette Lenta, Chief Executive Officer of Centlec (SOC) Ltd, hereby certify that the

- Mid-Year Budget and Performance Assessment Report

For the period ended 31 December 2023 has been prepared in accordance with the Section 88 (1) of the Municipal Finance Management Act, 2003.

Signature 

Date 2024/01/11