



# ADJUSTMENT BUDGET 2023-2024

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## **PART 1 – ADJUSTMENT BUDGET**

### **1.1 CHAIRPERSON’S REPORT**

#### **Introduction**

The Board has considered management’s recommendation to adjust the 2023/2024 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 project 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	3 704 008 709			3 704 008 709
Operating Expenditure	3 216 255 581	68 744 982	(29 161 337)	3 255 839 227
<b>Surplus/Deficit</b>	<b>487 753 128</b>	<b>(68 744 982)</b>	<b>29 161 337</b>	<b>448 169 482</b>
Gains & Losses	169 059 682			169 059 682
<b>Surplus after Gains &amp; Losses</b>	<b>318 693 446</b>	<b>(68 744 982)</b>	<b>29 161 337</b>	<b>279 109 800</b>
Less: Capital Grants	53 000 000			53 000 000
Less: Public Contributions	14 300 000			14 300 000
<b>Surplus after Funding &amp; Losses</b>	<b>251 393 446</b>	<b>(68 744 982)</b>	<b>29 161 337</b>	<b>211 809 800</b>
Less: Capital Expenditure Financing-Own Funds	141 393 446	-	(39 583 646)	101 809 800
<b>Net (Surplus/Deficit)</b>	<b>110 000 000</b>	<b>(68 744 982)</b>	<b>68 744 983</b>	<b>110 000 000</b>

CAPITAL BUDGET	APPROVED BUDGET	ADDITIONAL	REDUCED	ADJUSTMENT BUDGET
Own funding	141,393,446	-	(39,583,646)	101,809,800
Grants & Subsidies	53,000,000	-	-	53,000,000
Public Contributions	14,300,000	-	-	14,300,000
<b>Total Capital Expenditure</b>	<b>208,693,446</b>	<b>-</b>	<b>(39,583,646)</b>	<b>169,109,800</b>

## 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 22<sup>nd</sup> June 2023) of the Entity's Operating Revenue will not be increased, Operating Expenditure be increased from R 3,216 billion to R 3,255 billion and Capital Expenditure Budget be reduced from R 208,693 to R 169,109 million, The adjustment budget be approved/adopted for the 2023/24 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 in the aftermath of 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 load shedding, underperforming utilities and the devastating impacts of climate-related events, are weighing on South Africa's growth outlook.

Since the beginning of 2023, South Africa's headline inflation has been driven by global price increases in food and fuel. 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 2023/24 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 2023/24 budget focuses on allocation of resources to the following priorities.

- Increased operational and focused 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:

STATEMENT OF FINANCIAL PERFORMANCE - CENTLEC (ENTITY)				
EXPENDITURE PER TYPE	MTREF 2023-24	MTREF 2023-24 AFTER VIREMENTS	INCREASE/D ECREASE	ADJUSTMENT BUDGET
EMPLOYEE SALARIES AND WAGES	451 415 518	451 415 508	24 330 906	475 746 414
CONTRACTED SERVICES	189 195 712	189 195 711	(17 823 498)	171 372 213
OPERATIONAL COST	109 911 061	111 711 062	23 695 888	135 406 950
INVENTORY - MATERIALS & SUPPLIES	56 291 299	54 491 300	10 380 350	64 871 650
BULK PURCHASES	2 199 931 730	2 199 931 730		2 199 931 730
INTEREST ON FINANCE LEASES	253 569	253 569		253 569
MMM CONTRIBUTIONS	120 000 000	120 000 000		120 000 000
OPERATING LEASES	4 256 700	4 256 700	(1 000 000)	3 256 700
DEPRECIATION AND AMORTISATION	85 000 000	85 000 001		85 000 001
<b>TOTAL EXPENDITURE</b>	<b>3 216 255 589</b>	<b>3 216 255 581</b>	<b>39 583 646</b>	<b>3 255 839 227</b>

#### b) OPERATING EXPENDITURE BY TYPE:

STATEMENT OF FINANCIAL PERFORMANCE - CENTLEC (ENTITY)				
EXPENDITURE PER TYPE	MTREF 2023-24	MTREF 2023-24 AFTER VIREMENTS	INCREASE/D ECREASE	ADJUSTMENT BUDGET
EMPLOYEE SALARIES AND WAGES	451 415 518	451 415 508	24 330 906	475 746 414
CONTRACTED SERVICES	189 195 712	189 195 711	(17 823 498)	171 372 213
OPERATIONAL COST	109 911 061	111 711 062	23 695 888	135 406 950
INVENTORY - MATERIALS & SUPPLIES	56 291 299	54 491 300	10 380 350	64 871 650
BULK PURCHASES	2 199 931 730	2 199 931 730		2 199 931 730
INTEREST ON FINANCE LEASES	253 569	253 569		253 569
MMM CONTRIBUTIONS	120 000 000	120 000 000		120 000 000
OPERATING LEASES	4 256 700	4 256 700	(1 000 000)	3 256 700
DEPRECIATION AND AMORTISATION	85 000 000	85 000 001		85 000 001
<b>TOTAL EXPENDITURE</b>	<b>3 216 255 589</b>	<b>3 216 255 581</b>	<b>39 583 646</b>	<b>3 255 839 227</b>

#### c) GAINS & LOSSES:

STATEMENT OF FINANCIAL PERFORMANCE -CENTLEC (ENTITY)				
GAINS AND LOSSES	MTREF 2023-24	MTREF 2023-24 AFTER VIREMENT	INCREASE/D ECREASE	ADJUSTMENT BUDGET
DISPOSAL OF ASSETS LOSS/(GAINS)	-10 177 682	-10 177 681		-10 177 681
IMPAIRMENT LOSS/(GAINS)	179 237 363	179 237 363		179 237 363
<b>GAINS AND LOSSES</b>	<b>169 059 681</b>	<b>169 059 682</b>		<b>169 059 682</b>



#### d) INTERNAL FUNDING PROJECTS:

STATEMENT OF FINANCIAL PERFORMANCE - CENTLEC (ENTITY)				
CAPITAL EXPENDITURE	MTREF 2023-24	MTREF 2023-24 AFTER VIREMENT	INCREASE/D ECREASE	ADJUSTMENT BUDGET
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (USDG)	25 000 000	25 000 000		25 000 000
CAPITAL CONDITIONAL GRANTS & SUBSIDIES (ISUPG)	28 000 000	28 000 000		28 000 000
PUBLIC ELECTRICITY CONNECTIONS	14 300 000	14 300 000		14 300 000
<b>SUPPORT PROJECTS:</b>	<b>55 900 000</b>	<b>55 900 000</b>	<b>(23 500 000)</b>	<b>32 400 000</b>
TRAINING & DEVELOPMENT	800 000	800 000		800 000
DIGITAL RADIO SYSTEM	1 100 000	1 100 000		1 100 000
IMPLEM BUSINESS CONT DISASTER RECOV INF	2 000 000	500 000		500 000
UPGRADE & REFURB COMPUTER NETWORK	2 500 000	4 000 000	3 000 000	7 000 000
VEHICLES	7 000 000	7 000 000		7 000 000
FURNITURE AND OFFICE EQUIPMENT	1 000 000	1 000 000	1 500 000	2 500 000
BOTSH-E: EST NEW 33/11KV 10MVA FIRM CAP	5 500 000	5 500 000	(4 750 000)	750 000
BOTSH: UPG SUB T (2ND TRANS SCADA EQUI	5 500 000	5 500 000	(4 750 000)	750 000
BOTSH: UPG SUB W (C/WORK B/W 2ND TRA S/D	5 500 000	5 500 000	(4 750 000)	750 000
BLOEM: C/Y-EST 33/11KV 20MVA FIRM SUPDC	6 000 000	6 000 000	(4 500 000)	1 500 000
BLOEM: N/STAD-UPG 132/11KV 20MVA FIRM DC	6 500 000	6 500 000	(5 000 000)	1 500 000
INFRA CATALYST PROJECTS	6 500 000	6 500 000	(3 250 000)	3 250 000
SECURITY EQUIPMENT	1 000 000	1 000 000		1 000 000
OFFICE BUILDING	3 500 000	3 500 000		3 500 000
PROTECTION TEST EQUIPMENT	1 500 000	1 500 000	(1 000 000)	500 000
<b>SERVICE DELIVERY PROJECTS:</b>	<b>30 134 800</b>	<b>31 334 800</b>	<b>(900 000)</b>	<b>30 434 800</b>
METER REPLACEMENT PROJECT	10 000 000	10 000 000	5 000 000	15 000 000
EXTENSION AND UPGRADING OF THE 11KV NETWORK	3 500 000	3 500 000		3 500 000
SERVITUDES LAND (INCL INVEST REMUNE REG	600 000	600 000		600 000
INSTALLATION OF PUBLIC LIGHTING	8 000 000	8 000 000	(6 000 000)	2 000 000
INSTALL PREPAID METERS (INDIGENT)	500 000	500 000	100 000	600 000
UPGRADING AND EXTENTION OF LV NETWORK	1 500 000	1 500 000		1 500 000
SHIFTING OF CONNECTION AND REPLACEMENTS	1 005 275	1 005 275		1 005 275
REFURBISHMENT OF HIGH MAST LIGHTS	5 029 525	6 229 525		6 229 525
<b>REPAIRS AND MAINTENANCE PROJECTS:</b>	<b>11 300 000</b>	<b>11 300 000</b>	<b>(50 000)</b>	<b>11 250 000</b>
BOTSHABELO: ESTABLISHMENT OF 132KV (INDUST)	3 500 000	3 500 000	(2 750 000)	750 000
INSTALLATION OF HIGH VOLTAGE TEST EQUIPMENT	1 300 000	1 300 000	(800 000)	500 000
TRANSFORMER REPLACE & OTHER RELATED EQUIPMENT	6 500 000	6 500 000	3 500 000	10 000 000
<b>REFURBISHMENT PROJECTS</b>	<b>36 958 646</b>	<b>35 758 646</b>	<b>(11 583 646)</b>	<b>24 175 000</b>
REP LOW VOLT DECREPIT 2/4/8 WAY BOXES	800 000	800 000	(100 000)	700 000
REP BRITTLE OVERHEAD CONNECTIONS	1 000 000	1 000 000	(450 000)	550 000
S/LIGHTS REPLACE POLE TRNS POLES SECTION	1 500 000	1 500 000	1 500 000	3 000 000
REPLACEMENT OF 110V BATTERIES	1 500 000	1 500 000	500 000	2 000 000
REPLACEMENT OF 11KV SWITCHGEARS	1 250 000	1 250 000	(625 000)	625 000
REPLACEMENT OF OIL PLANT	500 000	500 000		500 000
REPLACEMENT OF 32V BATTERIES	1 500 000	1 500 000	(750 000)	750 000
REFUR PROTEC & SCADA SYSTEMS DIST CENTR	1 000 000	1 000 000	(750 000)	250 000
REPAIR MMM DIST DIST CENTRE	4 444 485	4 444 485	(2 944 485)	1 500 000
REPAIR VISTA DIST DIST CENTRE	15 964 161	15 964 161	(10 964 161)	5 000 000
REMEDIAL WORK 132KV SOUTHERN LINES	7 500 000	6 300 000	3 000 000	9 300 000
<b>INTERNAL ELECTRIFICATION PROJECTS:</b>	<b>7 100 000</b>	<b>7 100 000</b>	<b>(3 550 000)</b>	<b>3 550 000</b>
ELECTRIFICATION INTERNAL PROJECTS	7 100 000	7 100 000	(3 550 000)	3 550 000
<b>CAPITAL EXPENDITURE</b>	<b>208 693 446</b>	<b>208 693 446</b>	<b>(39 583 646)</b>	<b>169 109 800</b>
<b>SURPLUS FOR THE YEAR</b>	<b>-110 000 000</b>	<b>-110 000 000</b>		<b>-110 000 000</b>

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

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

There was no revenue decrease in 2023-24 financial year.

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

**1. Contracted Services**

There is a downward adjustment by R 17,823 million on contracted services. The main reason is to align the budget with the projected expected contracted services expenditure.

**2. Operational Costs**

There is an upwards adjustment by R 23,695 million on Operating cost. The main reason is due to an increased need for protective clothing, streetlight maintenance and insurance premiums.

**3. Inventory**

There is an upwards adjustment by R10,380 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 no adjustment on Bulk purchases.

**5. Operating leases**

There is a downwards adjusted by R 1 million on operating leases. The original budget was for the entire year however procurement happened later in the year resulting in a decrease in the expected expense.

### 1.3.2 SUMMARY OF STATEMENT OF CAPITAL EXPENDITURE

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - 31/12/2023											
Description	Ref	Budget Year +1 2023/24								Budget Year +2	Annual target
		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		
<b>Capital expenditure by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		168 885		(34 800)			5 625	(29 175)	139 710	172 633	176 517
<i>HV Substations</i>		6 000		(2 750)			500	(2 250)	3 750	6 294	6 590
<i>HV Transmission Conductors</i>		7 500					1 800	1 800	9 300	7 868	8 237
<i>MV Networks</i>		21 350		(4 300)			2 125	(2 175)	19 175	22 370	23 413
<i>LV Networks</i>		134 035		(27 750)			1 200	(26 550)	107 485	136 101	138 277
<b>Community Assets</b>		24 709		(13 909)				(13 909)	10 800	25 919	27 138
Community Facilities		23 909		(13 909)				(13 909)	10 000	25 080	26 259
<i>Outdoor Facilities</i>		800							800	839	879
<b>Computer Equipment</b>		4 500					3 000	3 000	7 500	4 721	4 942
Computer Equipment		4 500					3 000	3 000	7 500	4 721	4 942
<b>Furniture and Office Equipment</b>		1 000					1 500	1 500	2 500	1 049	1 098
Furniture and Office Equipment		1 000					1 500	1 500	2 500	1 049	1 098
<b>Machinery and Equipment</b>		1 100							1 100	1 154	1 208
Machinery and Equipment		1 100							1 100	1 154	1 208
<b>Transport Assets</b>		8 500		(1 000)				(1 000)	7 500	8 917	9 336
Transport Assets		8 500		(1 000)				(1 000)	7 500	8 917	9 336
<i>Zoological plants and animals</i>											
<b>Total Capital Expenditure to be adjusted</b>	1	208 693		(49 709)			10 125	(39 584)	169 110	214 392	220 239
<b>Funded by:</b>											
National Government		53 000							53 000	51 150	49 353
Provincial Government											
Parent Municipality											
District Municipality		14 300							14 300	14 958	15 646
Transfers recognised - capital		67 300							67 300	66 108	64 999
<b>Borrowing</b>	3										
Internally generated funds		141 393		(49 709)			10 125	(39 584)	101 810	148 284	155 240
<b>Total Capital Funding</b>	4	208 693		(49 709)			10 125	(39 584)	169 110	214 392	220 239

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

**1. Grants**

There was no adjustment on grants.

**2. Internal Funding**

There is a downward adjustment by R 39,584 million on internal funding.

# ADJUSTMENT BUDGET STATEMENT TABLES

## E1: Adjustment Budget Summary

Centlec - Table E1 Adjustments Budget Summary - 31/12/2023										
Description	Budget Year +1 2023/24								Budget Year +2 2024/25	Annual target 2025/26
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G		
<b>Financial Performance</b>										
Property rates										
Service charges	3 584 747							3 584 747	3 742 976	3 921 642
Investment revenue	4 727							4 727	4 959	5 192
Transfers recognised - operational										
Other own revenue	56 654							56 654	60 270	61 737
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 646 128</b>							<b>3 646 128</b>	<b>3 808 205</b>	<b>3 988 571</b>
Employee costs	450 588					24 331	24 331	474 919	472 667	495 336
Remuneration of Board Members	827							827	868	908
Depreciation and debt impairment	264 237							264 237	278 500	298 630
Interest	254							254	266	278
Inventory consumed and bulk purchases	2 254 423					10 380	10 380	2 264 803	2 357 031	2 465 510
Transfers and subsidies	120 000							120 000		
Other expenditure	305 163		(17 823)			22 696	4 872	310 036	430 891	446 817
<b>Total Expenditure</b>	<b>3 395 493</b>		<b>(17 823)</b>			<b>57 407</b>	<b>39 584</b>	<b>3 435 077</b>	<b>3 540 223</b>	<b>3 707 480</b>
<b>Surplus/(Deficit)</b>	<b>250 636</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>211 052</b>	<b>267 982</b>	<b>281 091</b>
Transfers and subsidies - capital (monetary allocations)	68 058							68 058	66 946	65 891
Transfers and subsidies - capital (in-kind - all)										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>318 693</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>279 110</b>	<b>334 928</b>	<b>346 982</b>
Income Tax										
<b>Surplus/ (Deficit) for the year</b>	<b>318 693</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>279 110</b>	<b>334 928</b>	<b>346 982</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	208 693		(49 709)			10 125	(39 584)	169 110	214 392	220 239
Transfers recognised - capital	67 300							67 300	66 108	64 999
Borrowing										
Internally generated funds	141 393		(49 709)			10 125	(39 584)	101 810	148 284	155 240
<b>Total sources of capital funds</b>	<b>208 693</b>		<b>(49 709)</b>			<b>10 125</b>	<b>(39 584)</b>	<b>169 110</b>	<b>214 392</b>	<b>220 239</b>
<b>Financial position</b>										
Total current assets	723 512							723 512	756 793	791 606
Total non current assets	7 579 109							7 579 109	7 604 854	7 631 874
Total current liabilities	983 503							983 503	1 028 744	1 076 067
Total non current liabilities	1 465 600							1 465 600	1 532 185	1 603 631
Community wealth/Equity	5 853 517							5 853 517	1 353 940	1 326 069
<b>Cash flows</b>										
Net cash from (used) operating	129 212							129 212		
Net cash from (used) investing	(219 599)							(219 599)		
Net cash from (used) financing	(1 774)							(1 774)		
<b>Cash/cash equivalents at the year end</b>	<b>620 205</b>							<b>620 205</b>	<b>31 099</b>	<b>32 529</b>

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

Centlec - Table E2 Adjustments Budget - Financial Performance (revenue and expenditure) - M06 December											
Description	Ref	Budget Year 2023/24							Budget Year	Annual	
		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		
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates											
Service charges - electricity revenue		3 584 747						3 584 747	3 742 976	3 921 642	
Sale of Goods and Rendering of Services		11 218						11 218	11 767	12 320	
Interest earned from Receivables		29 846						29 846	32 148	32 294	
Interest earned from Current and Non Current Assets		4 727						4 727	4 959	5 192	
Operational Revenue		1 580						1 580	1 657	1 735	
Fines, penalties and forfeits		3 833						3 833	4 021	4 210	
Gains on disposal of Assets		9 793						9 793	10 273	10 756	
Other Gains		385						385	404	423	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 646 128</b>						<b>3 646 128</b>	<b>3 808 205</b>	<b>3 988 571</b>	
<b>Expenditure By Type</b>											
Employee related costs		450 588					24 331	24 331	474 919	495 336	
Remuneration of Directors		827						827	868	908	
Bulk purchases - electricity		2 199 932						2 199 932	2 301 129	2 406 981	
Inventory consumed		54 491					10 380	10 380	64 872	58 530	
Debt impairment		179 237						179 237	185 500	196 630	
Depreciation & asset impairment		85 000						85 000	93 000	102 000	
Interest		254						254	266	278	
Contracted services		189 196		(17 823)				(17 823)	171 372	201 426	
Transfers and subsidies		120 000						120 000			
Irrecoverable debts written off											
Operational costs		115 968					22 696	22 696	138 664	245 391	
<b>Total Expenditure</b>		<b>3 395 493</b>		<b>(17 823)</b>			<b>57 407</b>	<b>39 584</b>	<b>3 435 077</b>	<b>3 540 223</b>	
<b>Surplus/(Deficit)</b>		<b>250 636</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>211 052</b>	<b>281 091</b>	
Transfers and subsidies - capital (monetary allocations)		68 058						68 058	66 946	65 891	
<b>Surplus/(Deficit) before taxation</b>		<b>318 693</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>279 110</b>	<b>334 928</b>	
Income Tax											
<b>Surplus/(Deficit) after income tax</b>		<b>318 693</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>279 110</b>	<b>334 928</b>	
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>318 693</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>279 110</b>	<b>334 928</b>	
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
<b>Surplus/ (Deficit) for the year</b>		<b>318 693</b>		<b>17 823</b>			<b>(57 407)</b>	<b>(39 584)</b>	<b>279 110</b>	<b>334 928</b>	



### E3: Adjustment Budget – Capital Expenditure

Centlec - Table E3 Adjustments Capital Expenditure Budget by asset class and funding - 31/12/2023											
Description	Ref	Budget Year +1 2023/24							Budget Year +2	Annual target	
		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		
<b>Capital expenditure by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		168 885		(34 800)			5 625	(29 175)	139 710	172 633	176 517
<i>HV Substations</i>		6 000		(2 750)			500	(2 250)	3 750	6 294	6 590
<i>HV Transmission Conductors</i>		7 500					1 800	1 800	9 300	7 868	8 237
<i>MV Networks</i>		21 350		(4 300)			2 125	(2 175)	19 175	22 370	23 413
<i>LV Networks</i>		134 035		(27 750)			1 200	(26 550)	107 485	136 101	138 277
<b>Community Assets</b>		24 709		(13 909)				(13 909)	10 800	25 919	27 138
Community Facilities		23 909		(13 909)				(13 909)	10 000	25 080	26 259
<i>Outdoor Facilities</i>		800							800	839	879
<b>Computer Equipment</b>		4 500					3 000	3 000	7 500	4 721	4 942
Computer Equipment		4 500					3 000	3 000	7 500	4 721	4 942
<b>Furniture and Office Equipment</b>		1 000					1 500	1 500	2 500	1 049	1 098
Furniture and Office Equipment		1 000					1 500	1 500	2 500	1 049	1 098
<b>Machinery and Equipment</b>		1 100							1 100	1 154	1 208
Machinery and Equipment		1 100							1 100	1 154	1 208
<b>Transport Assets</b>		8 500		(1 000)				(1 000)	7 500	8 917	9 336
Transport Assets		8 500		(1 000)				(1 000)	7 500	8 917	9 336
<i>Zoological plants and animals</i>											
<b>Total Capital Expenditure to be adjusted</b>	1	208 693		(49 709)			10 125	(39 584)	169 110	214 392	220 239
<b>Funded by:</b>											
National Government		53 000							53 000	51 150	49 353
Provincial Government											
Parent Municipality											
District Municipality		14 300							14 300	14 958	15 646
Transfers recognised - capital		67 300							67 300	66 108	64 999
<b>Borrowing</b>	3										
Internally generated funds		141 393		(49 709)			10 125	(39 584)	101 810	148 284	155 240
<b>Total Capital Funding</b>	4	208 693		(49 709)			10 125	(39 584)	169 110	214 392	220 239

## E4: Adjustment Budget – Financial Position

Centlec - Table E4 Adjustments Budget - Financial Position - M06 December

Description	Ref	Budget Year 2023/24								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	A1	B	C	D	E	F	G		
<b>R thousands</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
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
<b>Total current assets</b>		<b>722 065</b>							<b>722 065</b>	<b>846 947</b>	<b>885 060</b>
<b>Non current assets</b>											
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
<b>Total non current assets</b>		<b>7 728 789</b>							<b>7 728 789</b>	<b>7 867 355</b>	<b>8 013 396</b>
<b>TOTAL ASSETS</b>		<b>8 450 854</b>							<b>8 450 854</b>	<b>8 714 302</b>	<b>8 898 456</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
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
<b>Total current liabilities</b>		<b>872 965</b>							<b>872 965</b>	<b>990 114</b>	<b>1 034 669</b>
<b>Non current liabilities</b>											
Borrowing											
Provisions		1 564 910							1 564 910	1 633 766	1 707 286
<b>Total non current liabilities</b>		<b>1 564 910</b>							<b>1 564 910</b>	<b>1 633 766</b>	<b>1 707 286</b>
<b>TOTAL LIABILITIES</b>		<b>2 437 875</b>							<b>2 437 875</b>	<b>2 623 880</b>	<b>2 741 955</b>
<b>NET ASSETS</b>	2	<b>6 012 979</b>							<b>6 012 979</b>	<b>6 090 422</b>	<b>6 156 501</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
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
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>5 601 471</b>							<b>5 601 471</b>	<b>6 090 422</b>	<b>6 156 501</b>

## E5: Adjustment Budget – Cash Flows

Centlec - Table E5 Adjustments Budget - Cash Flows - 31/12/2023

Description	Ref	Budget Year +1 2023/24							Budget Year +2 2024/25	Annual target 2025/26
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
			1	2	3	4	5	6	7	
R thousands		A	A1	B	C	D	E	F	G	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates										
Service charges		3 399 585						3 399 585	3 555 966	3 719 541
Other revenue		20 560						20 560	21 505	22 495
Transfers and Subsidies - Operational		67 300						67 300	66 108	64 999
Transfers and Subsidies - Capital										
Interest		32 619						32 619	34 119	35 688
Dividends										
<b>Payments</b>										
Suppliers and employees		(3 270 622)						(3 270 622)	(3 336 066)	(3 494 837)
Interest		(229)						(229)	(239)	(250)
Dividends paid		(120 000)						(120 000)	(120 000)	(120 000)
Transfers and Subsidies									221 393	227 635
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>129 212</b>						<b>129 212</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		9 285						9 285	9 712	10 159
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(228 884)						(228 884)	(225 627)	(232 064)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(219 599)</b>						<b>(219 599)</b>	<b>(225 627)</b>	<b>(232 064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		(1 774)						(1 774)	5 665	5 925
<b>Payments</b>										
Repayment of borrowing										
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 774)</b>						<b>(1 774)</b>	<b>5 665</b>	<b>5 925</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(92 162)</b>						<b>(92 162)</b>	<b>1 431</b>	<b>1 496</b>
Cash/cash equivalents at the year begin:	8	37 677							31 099	32 529
Cash/cash equivalents at the year end:	8	620 205						(92 162)	32 529	34 026



## SE1: Measurable Performance Targets

Centlec - Supporting Table SE1 Adjustments Budget - measurable performance targets - M06 December											
Performance target description	Unit of measurement	Budget Year 2023/24								Budget Year +2 2024/25	Annual target 2025/26
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G		
400 dwellings provided with electricity connections by 30 June 2024	Monthly, quarterly progress report and proof of payments	28 000								28 000	
Erection of 25 high mast lights within Mangaung by 30 June 2024	Monthly, quarterly progress report and proof of payments	25 000								25 000	
505.12 kilometers of 132kV lines inspections based on the maintenance plan from 1st July 2023 to 30th June 2024	Monthly, quarterly progress report and proof of payments										
348 DC Transformer Inspections based on the maintenance plan to be completed from 1st of July 2023 to 30 June 2024	Monthly, quarterly progress report and proof of payments										
324 Distribution Centre Panels to be tested based on the maintenance plan from 1st of July 2023 to 30 June 2024	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 2024	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 2024	Monthly, quarterly progress report and proof of payments										
Total capacity (MVA) of all commissioned embedded generation plants on the Municipal network by 30 June 2024	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 - 31/12/2023

Description of financial indicator	Basis of calculation	Ref	Budget Year +1 2023/24		Budget Year +2 2024/25	Annual target 2025/26
			Original Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Borrowing Management</b>						
Credit Rating						
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0%	0%	0%	0%
Capital Charges to Operating Expenditure	Interest & Depreciation /Operating Expenditure		3%	2%	3%	3%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0%	0%	0%	0%
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		42%	42%	189%	202%
Gearing	Long Term Borrowing/ Funds & Reserves		0%	0%	0%	0%
<b>Liquidity</b>						
Current Ratio	Current assets/current liabilities		74%	74%	74%	74%
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		74%	74%	74%	74%
Liquidity Ratio	Monetary Assets/Current Liabilities		3%	3%	3%	3%
<b>Revenue Management</b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		0%	0%	95%	0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		16%	0%	0%	0%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0%	0%	0%	0%
Employee costs	Employee costs/Total Revenue - capital revenue		12%	13%	12%	12%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0%	1%	1%	1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		2%	2%	2%	3%
<b>Financial viability indicators</b>						
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 - 31/12/2023									
Investments by maturity Name of institution & investment ID	Ref	Budget Year +1 2023/24							
		Period of investment	Type of investment	Expiry date of investment	Accrued interest for the month	Yield %	Market value		
							Begin	Change	End
R thousands		Months							
ABSA - 1 Day Account		February 2013	Call Account	n/a	33		40 939	(2)	(40 937)
<b>Total investments</b>	<b>2</b>				<b>33</b>		<b>40 939</b>	<b>(2)</b>	<b>(40 937)</b>

### SE4 – Board Member allowances and staff benefits

Centlec - Supporting Table SE4 Adjustments Budget - board member allowances and staff benefits - 31/12/2023											
Summary of Employee and Board Member remuneration	Ref	Budget Year +1 2023/24								Budget Year +2	Annual target
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9			
R thousands		A	A1	B	C	D	E	F	G		
<b>Remuneration</b>											
<b>Board Members of Entities</b>											
Basic Salaries and Wages		827		(377)				(377)	450	868	908
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Board fees											
Other benefits and allowances											
<b>Sub Total - Board Members of Entities</b>		<b>827</b>		<b>(377)</b>				<b>(377)</b>	<b>450</b>	<b>868</b>	<b>908</b>
<b>% increase</b>									-45.6%	92.8%	4.7%
<b>Senior Managers of Entities</b>											
Basic Salaries and Wages		11 647		(698)				(698)	10 950	12 218	12 792
Pension and UIF Contributions		16		(4)				(4)	11	16	17
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance		1 313							1 313	1 377	1 442
Cellphone Allowance		116		(27)				(27)	89	122	128
Housing Allowances											
Other benefits and allowances		1		-					1	1	1
<b>Sub total of Senior Managers of Entities</b>		<b>13 093</b>		<b>(729)</b>				<b>(729)</b>	<b>12 364</b>	<b>13 735</b>	<b>14 380</b>
<b>% increase</b>									-5.6%	11.1%	4.7%
<b>Other Staff of Entities</b>											
Basic Salaries and Wages		249 590					8 854	8 854	258 444		
Pension and UIF Contributions		62 491					4 604	4 604	67 094	261 820	274 126
Medical Aid Contributions		41 360					2 590	2 590	43 950	65 553	68 634
Overtime		28 241					4 913	4 913	33 155	43 387	45 879
Performance Bonus		18 632					1 152	1 152	19 784	29 625	31 018
Motor Vehicle Allowance		18 134					3 186	3 186	21 320	19 545	20 463
Cellphone Allowance		718					39	39	757	19 022	19 916
Housing Allowances		8 358					518	518	8 876	753	789
Other benefits and allowances		8 508		(419)				(419)	8 090	8 767	9 179
Payments in lieu of leave		1 463							1 463	8 925	9 345
<b>Sub Total - Other Staff of Entities</b>		<b>437 495</b>		<b>(419)</b>			<b>25 856</b>	<b>25 437</b>	<b>462 933</b>	<b>458 933</b>	<b>480 955</b>
<b>% increase</b>									5.8%	-0.9%	4.8%
<b>Total Municipal Entities remuneration</b>		<b>451 416</b>		<b>(1 525)</b>			<b>25 856</b>	<b>24 331</b>	<b>475 746</b>	<b>473 535</b>	<b>496 244</b>





## SE6 (a) – Capital expenditure on new assets

Centlec - Supporting Table SE6a Adjustments capital expenditure on new assets by asset category - 31/12/2023

Description	Ref	Budget Year 2023/24							Budget Year +1	Budget Year	
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			1	2	3	4	5	6	7		
R thousands	1	A	A1	B	C	D	E	F	G		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		136 000		(33 150)				(33 150)	102 850	138 147	140 414
Electrical Infrastructure		136 000		(33 150)				(33 150)	102 850	138 147	140 414
Power Plants											
HV Substations		4 500		(2 750)				(2 750)	1 750	4 721	4 942
MV Networks		7 100		(3 550)				(3 550)	3 550	7 427	7 768
LV Networks		124 400		(26 850)				(26 850)	97 550	125 999	127 703
<b>Community Assets</b>		24 709		(13 909)				(13 909)	10 800	25 919	27 138
Community Facilities		23 909		(13 909)				(13 909)	10 000	25 080	26 259
Centres		23 909		(13 909)				(13 909)	10 000	25 080	26 259
Sport and Recreation Facilities		800							800	839	879
Outdoor Facilities		800							800	839	879
<b>Computer Equipment</b>		4 500					3 000	3 000	7 500	4 721	4 942
Computer Equipment		4 500					3 000	3 000	7 500	4 721	4 942
<b>Furniture and Office Equipment</b>		1 000					1 500	1 500	2 500	1 049	1 098
Furniture and Office Equipment		1 000					1 500	1 500	2 500	1 049	1 098
<b>Machinery and Equipment</b>		1 100							1 100	1 154	1 208
Machinery and Equipment		1 100							1 100	1 154	1 208
<b>Transport Assets</b>		8 500		(1 000)				(1 000)	7 500	8 917	9 336
Transport Assets		8 500		(1 000)				(1 000)	7 500	8 917	9 336
<b>Total Capital Expenditure on new assets to be adjusted</b>	1	175 809		(48 059)			4 500	(43 559)	132 250	179 906	184 136

## 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 2023/24							Budget Year	Annual target	
		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		
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		13 855		(900)			2 625	1 725	15 580	14 529	15 210
Roads Infrastructure											
Electrical Infrastructure		13 855		(900)			2 625	1 725	15 580	14 529	15 210
Power Plants											
HV Substations		1 500					500	500	2 000	1 574	1 647
MV Networks		9 250					2 125	2 125	11 375	9 703	10 159
LV Networks		3 105		(900)				(900)	2 205	3 252	3 403
Capital Spares											
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	1	13 855		(900)			2 625	1 725	15 580	14 529	15 210

## 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 2023/24							Budget Year +2 2024/25	Annual target 2025/26	
		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		
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		6 820					97 872	97 872	104 692	81 206	85 022
Roads Infrastructure											
Electrical Infrastructure		6 820					97 872	97 872	104 692	81 206	85 022
Power Plants		1 874					848	848	2 722	2 562	2 682
HV Substations		4 775					97 024	97 024	101 800	78 465	82 153
HV Switching Station											
LV Networks		171							171	179	187
<b>Other assets</b>		20 532		(15 532)				(15 532)	5 000	5 245	5 492
Operational Buildings		20 532		(15 532)				(15 532)	5 000	5 245	5 492
Municipal Offices		20 532		(15 532)				(15 532)	5 000	5 245	5 492
<b>Machinery and Equipment</b>		1 617							1 617	1 696	1 776
Machinery and Equipment		1 617							1 617	1 696	1 776
<b>Transport Assets</b>		10 530					3 601	3 601	14 131	12 742	13 341
Transport Assets		10 530					3 601	3 601	14 131	12 742	13 341
<b>Land</b>											
Land											
<b>Zoo's, Marine and Non-biological Animals</b>											
Zoo's, Marine and Non-biological Animals											
<b>Total Repairs and maintenance expenditure to be ad</b>	1	39 499		(15 532)			101 473	85 941	125 441	100 889	105 631

## SE6 (d) – Depreciation by asset category

Centlec - Supporting Table SE6d Adjustments Depreciation by asset category - 31/12/2023											
Description	Ref	Budget Year 2023/24							Budget Year +1	Budget Year	
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			1	2	3	4	5	6	7		
R thousands	1	A	A1	B	C	D	E	F	G		
<b>Depreciation by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		54 402							54 402	57 068	59 750
LV Networks		54 402							54 402	57 068	59 750
<b>Community Assets</b>		1 806							1 806	1 895	1 984
Halls		1 806							1 806	1 895	1 984
<b>Intangible Assets</b>		6 587							6 587	6 654	6 874
Computer Software and Applications		6 587							6 587	6 654	6 874
<b>Furniture and Office Equipment</b>		7 413							7 413	7 776	8 142
Furniture and Office Equipment		7 413							7 413	7 776	8 142
<b>Machinery and Equipment</b>		59							59	62	65
Machinery and Equipment		59							59	62	65
<b>Transport Assets</b>		14 733							14 733	19 545	25 186
Transport Assets		14 733							14 733	19 545	25 186
<b>Total Depreciation to be adjusted</b>	1	85 000							85 000	93 000	102 000

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

Centlec - Supporting Table SE6e Adjustments capital expenditure on upgrading of existing assets by asset category - 31/12/2023											
Description	Ref	Budget Year 2023/24							Budget Year +1	Budget Year	
		Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			1	2	3	4	5	6	7		
R thousands	1	A	A1	B	C	D	E	F	G		
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>		19 030		(750)			3 000	2 250	21 280	19 957	20 894
Electrical Infrastructure		19 030		(750)			3 000	2 250	21 280	19 957	20 894
HV Transmission Conductors		7 500					1 800	1 800	9 300	7 868	8 237
MV Networks		5 000		(750)				(750)	4 250	5 241	5 485
LV Networks		6 530					1 200	1 200	7 730	6 849	7 171
<b>Total Capital Expenditure on upgrading of existing assets to be adjusted</b>	1	19 030		(750)			3 000	2 250	21 280	19 957	20 894

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

Centlec - Supporting Table SE7 List of capital projects affected by Adjustments Budget - 31/12/2023								
R thousands					Budget Year 2023/24			
Function	Project Description	Project Number	Type	Asset Sub-Class	Budget Year +1 2023/24	Adjusted Budget	Budget Year +2 2024/25	Annual target 2025/26
Parent municipality: <i>List all capital projects grouped by Function</i>								
Electricity	Remedial Work 132kv Southern Lines	PC001001002001004_00001	UPGRADING	Hv Transmission Conductors	7 500	9 300	7 868	8 237
Electricity	Extension And Upgrading ff The 11kv Netw	PC001001002001007_00002	UPGRADING	Mv Networks	3 500	3 500	3 672	3 844
Electricity	Refur Protec & Scada Systems Dist Centr	PC001001002001007_00001	UPGRADING	Mv Networks	1 000	250	1 046	1 094
Electricity	Replacement Of Oil Plant	PC001001002001007_00003	UPGRADING	Mv Networks	500	500	523	547
Electricity	Refurbishment Of High Mast Lights	PC001001002001008_00002	UPGRADING	Lv Networks	5 030	6 230	5 276	5 524
Electricity	Upgrading And Extention Of Lv Network	PC001001002001008_00001	UPGRADING	Lv Networks	1 500	1 500	1 574	1 647
Electricity	SECURITY EQUIPMENT	PC001002001002_00002	NEW	Hv Substations	1 000	1 000	1 049	1 098
Electricity	Botshabelo: Establishment of 132KV (Industr)	PC001002001002_00003	NEW	Hv Substations	3 500	750	3 672	3 844
Electricity	Electrification Internal Projects	PC001002001007_00002	NEW	Mv Networks	7 100	3 550	7 427	7 768
Electricity	Bloem: C/Y-Est 33/11kv 20mva Firm Supdc	PC001002001008_00019	NEW	Lv Networks	6 000	1 500	6 294	6 590
Electricity	Bloem: N/Stad-Upg 132/11kv 20mva Firm Dc	PC001002001008_00020	NEW	Lv Networks	6 500	1 500	6 819	7 139
Electricity	Botsh: Upg Sub T (2nd Trans Scada Equi	PC001002001008_00017	NEW	Lv Networks	5 500	750	5 770	6 041
Electricity	Botsh: Upg Sub W (C/Work B/W 2nd Tra S/D	PC001002001008_00018	NEW	Lv Networks	5 500	750	5 770	6 041
Electricity	Botsh-E: Est New 33/11kv 10mva Firm Cap	PC001002001008_00016	NEW	Lv Networks	5 500	750	5 770	6 041
Electricity	Electrification (Usdg Grant)	PC001002001008_00016	NEW	Lv Networks	25 000	25 000	26 150	27 353
Electricity	Electrification Projects (Isupg)	PC001002001008_00018	NEW	Lv Networks	28 000	28 000	25 000	22 000
Electricity	Electrification Projects (Isupg)	PC001002001008_00019	NEW	Lv Networks				
Electricity	Infra Catalyst Projects	PC001002001008_00021	NEW	Lv Networks	6 500	3 250	6 819	7 139
Electricity	Install Prepaid Meters	PC001002001008_00007	NEW	Lv Networks	500	600	523	547
Electricity	Installation Of Public Lighting	PC001002001008_00005	NEW	Lv Networks	8 000	2 000	8 392	8 786
Electricity	Meter Project	PC001002001008_00003	NEW	Lv Networks	10 000	15 000	10 490	10 983
Electricity	Public Electricity Connections	PC001002001008_00001	NEW	Lv Networks	14 300	14 300	14 958	15 646
Electricity	Rep Brittle Overhead Connections	PC001002001008_00004	NEW	Lv Networks	1 000	550	1 046	1 094
Electricity	S/Lights Replace Pole Tms Poles Section	PC001002001008_00006	NEW	Lv Networks	1 500	3 000	1 574	1 647
Electricity	Servitudes Land (Incl Invest Remune Reg	PC001002001008_00002	NEW	Lv Networks	600	600	628	656
Electricity	Implem Business Cont Disaster Recov Inf	PC002003004_00001	NEW	Computer Equipment	2 000	500	2 098	2 197
Electricity	Upgrade & Refurb Computer Network	PC002003004_00001	NEW	Computer Equipment	2 500	7 000	2 623	2 746
Electricity	Furniture And Office Equipment	PC002003005_00001	NEW	Furniture And Office Equipment	1 000	2 500	1 049	1 098
Electricity	Vending Back Office	PC002003005_00002	NEW	Furniture And Office Equipment				
Electricity	Digital Radio System	PC002003009_00001	NEW	Machinery And Equipment	1 100	1 100	1 154	1 208
Electricity	Protection Test Unit	PC002003010_00003	NEW	Transport Assets	1 500	500	1 574	1 647
Electricity	Vehicles	PC002003010_00002	NEW	Transport Assets	7 000	7 000	7 343	7 688
Electricity	Replacement Of 110v Batteries	PC001001001001002_00001	RENEWAL	Hv Substations	1 500	2 000	1 574	1 647
Electricity	Replacement Of 11kv Switchgears	PC001001001001007_00004	RENEWAL	Mv Networks	1 250	625	1 311	1 373
Electricity	Replacement Of 32v Batteries	PC001001001001007_00005	RENEWAL	Mv Networks	1 500	750	1 574	1 647
Electricity	Transformer Replace & Other Related Equi	PC001001001001007_00003	RENEWAL	Mv Networks	6 500	10 000	6 819	7 139
Electricity	Installation Of High Voltage Test Equipm	PC001001001001008_00004	RENEWAL	Lv Networks	1 300	500	1 364	1 428
Electricity	Rep Low Volt Decrept 2/4/8 Way Boxes	PC001001001001008_00002	RENEWAL	Lv Networks	800	700	837	875
Electricity	Shifting Of Connection And Replacement S	PC001001001001008_00001	RENEWAL	Lv Networks	1 005	1 005	1 052	1 100
Electricity	Repair Mmm Dist Dist Centre	PC002003002001002_00001	NEW	Centres	4 444	1 500	4 662	4 881
Electricity	Repair Vista Dist Dist Centre	PC002003002001002_00002	NEW	Centres	15 964	5 000	16 746	17 533
Electricity	Office Building	PC002003002001002_00001	NEW	Centres	3 500	3 500	3 672	3 844
Electricity	Training & Development	PC002003002002002_00001	NEW	Outdoor Facilities	800	800	839	879
<b>Total Capital expenditure</b>					<b>208 693</b>	<b>169 110</b>	<b>214 392</b>	<b>220 239</b>



**CERTIFICATION**

Print Name Melika

**ACTING CHIEF FINANCIAL OFFICER OF CENTLEC (SOC) LTD**

Signature MOTHALEPULE JEANETTE LENKA

Date 2024/01/11

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

**Chief Executive Officer's certification:**

I Masepu Sebiso, Chief Executive Officer of CENTLEC (SOC) Ltd, hereby certify that the Adjustment Budget 2023/24 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 Masepu Sebiso

**CHIEF EXECUTIVE OFFICER OF CENTLEC (SOC) LTD**

Signature [Signature]

Date 2024/01/11