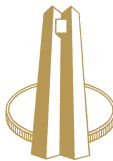


# **Guide for the completion of statistical returns by public-sector institutions**

**January 2008**



**South African Reserve Bank**

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# 1. Introduction

## 1.1 Purpose of the surveys

The Form F02 and Form F04 surveys are conducted for statistical reasons in order to compile a complete set of national financial and economic accounts for South Africa. The Minister of Finance in 1996 announced and pledged that South Africa would adhere to the Special Data Dissemination Standard (SDDS) introduced by the International Monetary Fund (IMF). In terms of this pledge, the Head of the Research Department of the South African Reserve Bank was appointed as co-ordinator and correspondent to the IMF on all aspects relating to the SDDS. According to this standard, regular and timeous information on a number of data categories must be released to the public. By maintaining a high level of transparency of macroeconomic data, the perceived risk of doing business with South Africa is reduced, contributing to improved credit ratings and lower risk premia when accessing international financial markets. The information gathered from respondents is aggregated and published as such in the *Quarterly Bulletin* of the South African Reserve Bank and on the Bank's website. Information submitted by the various institutions is not published per individual organisation and strict confidentiality is observed.

## 1.2 Valuation

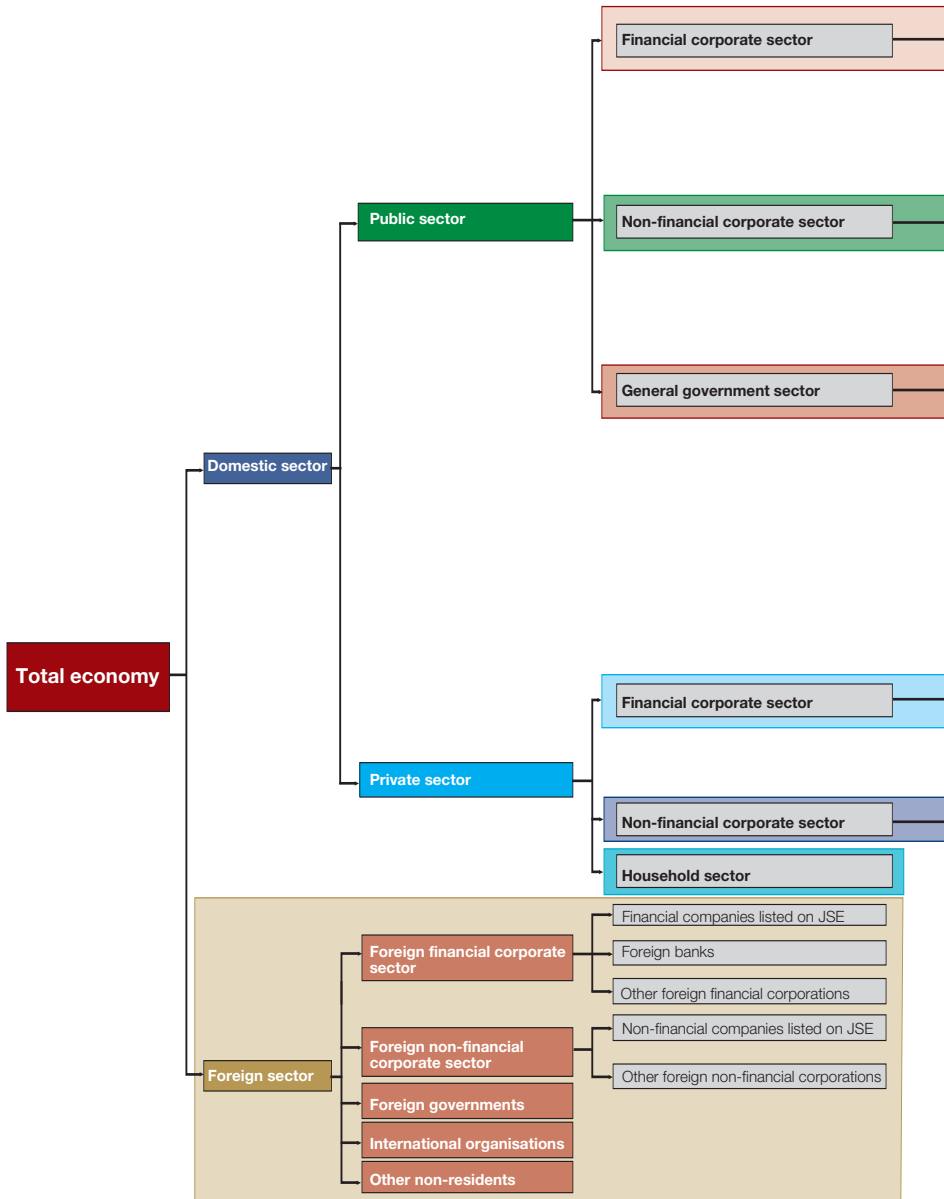
Flows, assets, liabilities and equity should be valued at current market prices. It is recognised that market prices are not always available for financial assets not traded in secondary markets or traded on an infrequent basis. Therefore, it is necessary to estimate market-equivalent values for such financial assets. Estimates of market-equivalent values are referred to as fair values. Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The valuation of loans is an exception to the valuation principle based on market price or fair values. Loan values should be based on creditors' outstanding claims without adjustment for expected loan losses. Balances held in non-financial assets should be shown at cost less accumulated depreciation or accumulated amortisation in the case of intangible assets.

The current market price or fair value of a derivative financial instrument represents the value of a claim of one party to the derivative contract of another party on the date to which the reporting form relates. The current market value of assets and liabilities implicit in derivative contracts should therefore be valued at fair value. In determining the fair value of derivative financial instruments, observable prices in the financial markets should be used to mark-to-market these instruments. In the absence of observable prices, valuation techniques based on financial models or the net present value of future cash flows should be applied.

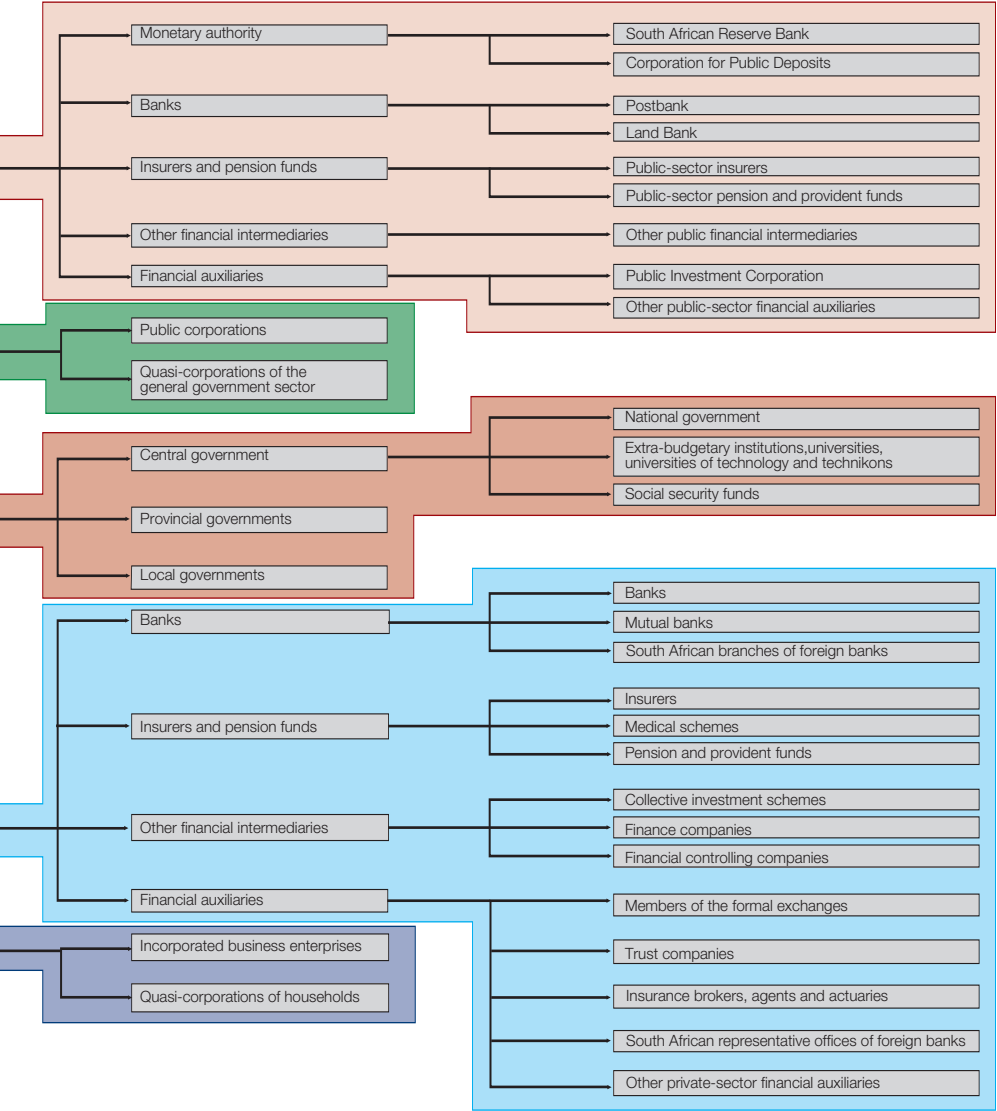
## 1.3 Corresponding amounts

The balance sheet, income and cash-flow statement must disclose the corresponding amounts for the preceding quarter in respect of all items.

# Institutional units and sectors (see paragraph 2.3.2)







## 2. Form F02 – Balance sheet

### 2.1 Structure of Form F02

Form F02 encompasses the balance sheet of public-sector institutions in South Africa. The balance sheet is a statement of equity as well as the stocks of financial and non-financial assets and liabilities owned and owed by the public-sector institutions. The assets and liabilities are classified by instrument and by institutional unit and sector.

#### Institutional units and sectors

The total economy consists of institutional sectors which are an aggregation of institutional units. An institutional unit is an economic entity that in its own right can own assets, incur liabilities and engage in economic activity and transactions with other entities. Institutional units are either legal or social entities, or households, and can be divided between resident and non-resident units. Form F02 divides the total economy into two main sectors, namely the domestic sector and the foreign sector.

Financial assets/liabilities and equity	Non-financial assets
<ul style="list-style-type: none"> <li>• Ordinary shares</li> <li>• Preference shares</li> <li>• Capital funds</li> <li>• Reserves</li> <li>• Retained earnings</li> <li>• Provisions</li> <li>• Bonds</li> <li>• Securities other than shares and bonds</li> <li>• Promissory notes</li> <li>• Insurance technical reserves</li> <li>• Mortgage loans</li> <li>• Other loans</li> <li>• Derivative instruments</li> <li>• Units in unit trusts</li> <li>• Units in property unit trusts</li> <li>• Treasury bills</li> <li>• Negotiable certificates of deposit</li> <li>• Trade credit and advances</li> <li>• Accounts receivable/payable</li> <li>• Transferable deposits</li> <li>• Other deposits</li> <li>• Cash on hand</li> <li>• Deferred tax liability</li> <li>• Tax asset</li> </ul>	<ul style="list-style-type: none"> <li>• Dwellings</li> <li>• Non-residential buildings</li> <li>• Other structures</li> <li>• Transport equipment</li> <li>• Computer and communications equipment</li> <li>• Other machinery and equipment</li> <li>• Computer software</li> <li>• Other fixed assets</li> <li>• Strategic stocks</li> <li>• Other inventories</li> <li>• Valuables</li> <li>• Land</li> <li>• Subsoil assets</li> <li>• Other naturally occurring assets</li> <li>• Intangible non-produced assets</li> </ul>

## 2.2 Guidelines for completing Form F02

### 2.2.1 Time of recording

Transactions should be recorded as a balance at the end of a quarter.

## 2.3 Definitions

### 2.3.1 Short term and long term

Short-term instruments, with the exception of deposits, refer to repayment obligations of one year or less, i.e. a debt obligation that has to be redeemed within a time period that is less than one year. Long-term instruments refer to repayment obligations exceeding one year. In the case of deposits, short-term deposits refer to deposits with a maturity of six calendar months or less whereas long-term deposits refer to deposits with a maturity of longer than six calendar months.

### 2.3.2 Institutional units and sectors

#### 2.3.2.1 Domestic units and sectors

Domestic institutional units and sectors consist of all resident institutional units and sectors. An institutional unit is a resident of the Republic of South Africa when it has a centre of economic interest in South Africa, i.e. when it has premises within the economic territory of South Africa from where it engages or intends to engage indefinitely or over a finite but long period of time (normally more than one year) in a significant activity.

##### 2.3.2.1.1 South African Reserve Bank

The South African Reserve Bank is the central bank of the Republic of South Africa and is governed in terms of the South African Reserve Bank Act, 1989 (No 90 of 1989). The central bank is the national financial institution that exercises control over key aspects of the financial system and carries out such activities as issuing currency, managing international reserves, transacting with the IMF, and providing credit to other banks.

##### 2.3.2.1.2 Corporation for Public Deposits

The Corporation for Public Deposits is a public-sector financial institution which is a subsidiary of the South African Reserve Bank. In terms of the Corporation for Public Deposits Act (No 46 of 1984) the corporation accepts call deposits from public-sector institutions and invests the funds in short-term money-market instruments and Treasury bills.

### 2.3.2.1.3 Postbank

The Postbank is a subsidiary of the South African Post Office which accepts deposits from the public. The Postbank undertakes such activities as are customary for financial institutions carrying on the business of accepting deposits.

### 2.3.2.1.4 Land Bank

The Land and Agricultural Development Bank of South Africa is an agricultural development finance institution which provides retail, wholesale, project and micro-finance services to agricultural enterprises and related rural service providers.

### 2.3.2.1.5 Public-sector insurers, pension and provident funds

Public-sector insurers consist of entities governed in terms of the Public Finance Management Act, 1999 (No 1 of 1999 as amended by Act No 29 of 1999) whose principal function is to provide life, accident, health, fire, or other forms of insurance to individual institutional units or groups of units. Sasria Ltd and Export Credit Insurance Corporation of SA Ltd are public-sector insurers. Public-sector pension funds refer to autonomous pension funds organised and managed by government units. A pension fund is autonomous if it is a separate institutional unit, which means that it must have its own assets and liabilities and it must engage in financial transactions in the market for its own account.

### 2.3.2.1.6 Other public financial intermediaries

Other public financial intermediaries are all resident financial corporations undertaking financial intermediation and controlled by general government units, except the South African Reserve Bank, Corporation for Public Deposits, Postbank and the Land Bank.

### 2.3.2.1.7 Public Investment Corporation

The Public Investment Corporation (PIC) invests funds on behalf of public-sector institutions, inclusive of the Government Employees Pension Fund.

### 2.3.2.1.8 Other public-sector financial auxiliaries

Financial auxiliaries include financial institutions that engage in activities closely related to financial intermediation but do not act as intermediaries.

### 2.3.2.1.9 Public non-financial corporations

Public non-financial enterprises are corporations where the principal activity is the production of market goods and non-financial services and these institutional units are owned or controlled by units in the general government sector. Control may be exercised through ownership of more than half the voting shares, legislation, decree or regulations that establish specific corporate policy or allow the government to appoint directors.

### 2.3.2.1.10 Quasi-corporations of general government sector

Quasi-corporations are unincorporated enterprises owned by government units which are engaged in market production and which are operated in a similar way to publicly-owned corporations.

#### 2.3.2.1.11 National government

According to the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999), national department means

- (a) a department listed in Schedule 1 of the Public Service Act, 1994 (Proclamation No 103 of 1994), but excluding a provincial administration; or
- (b) an organisational component listed in Schedule 3 of the Act.

#### 2.3.2.1.12 Extra-budgetary institutions, universities, universities of technology and technikons

Extra-budgetary institutions produce goods and services for government or mainly supply goods and services free or at prices that are not economically significant to the public. An extra-budgetary institution is a national public entity which may consist of a board, commission, company, corporation, fund or other entity (other than a national government business enterprise) which is

- (a) established in terms of national legislation and serves mainly the government;
- (b) fully or substantially funded either from the National Revenue Fund or by way of a tax, levy or other money imposed in terms of national legislation; and
- (c) accountable to Parliament.

Universities and technikons are higher education institutions established in terms of the Higher Education Act, 1997 (Act 101 of 1997 as amended by Act 55 of 1999, Act 54 of 2000 and Act 23 of 2001). These institutions provide higher education on a full-time, part-time or distance basis.

#### 2.3.2.1.13 Social security funds

A social security fund is a particular kind of government unit that is devoted to the operation of one or more social security scheme. A social security scheme must satisfy the general requirements of an institutional unit. That is, it must be organised separately from the other activities of government units, hold its assets and liabilities separately, and engage in financial transactions in the market for its own account.

#### 2.3.2.1.14 Provincial governments

According to the Public Finance Management Act, 1999 (Act 1 of 1999 as amended by Act 29 of 1999), provincial department means

- (a) a provincial administration listed in Schedule 1 of the Public Service Act, 1994; or
- (b) a department within a provincial administration listed in Schedule 2 of that Act.

### 2.3.2.1.15 Local governments

The legislative, judicial and executive authority of local government units is restricted to the smallest geographical areas distinguished for administrative and political purposes. To be treated as institutional units they must be entitled to own assets, raise funds, and incur liabilities by borrowing on their own account. They must also have some discretion over how such funds are spent and they should be able to appoint their own officers independently of external administrative control.

### 2.3.2.1.16 Banks and mutual banks

Bank means a public company registered as a bank in terms of the Banks Act, 1990 (Act No 94 of 1990). The business of a bank is the solicitation and advertising for and the acceptance of deposits from the general public on a regular basis and the utilisation of deposits accepted. A mutual bank means a juristic person that is registered as a mutual bank in terms of the Mutual Banks Act, 1993 (Act No 124 of 1993).

### 2.3.2.1.17 Private-sector insurers

Insurance corporations consist of incorporated mutual and other entities whose principal function is to provide life, accident, health, fire or other forms of insurance to individual institutional units or groups of units. Insurers are established in terms of the Long-term Insurance Act, 1998 (Act No 52 of 1998) and the Short-term Insurance Act, 1998 (Act No 53 of 1998).

### 2.3.2.1.18 Private pension and provident funds

Private pension funds refer to autonomous pension funds which are not organised or managed by government units. A pension fund is autonomous if it is a separate institutional unit which means that it must have its own assets and liabilities and it must engage in financial transactions in the market for its own account. Pension and provident funds are established in terms of the Pension Funds Act, 1956 (Act No 24 of 1956 as amended).

### 2.3.2.1.19 Money-market unit trusts

Unit trusts can be defined as collective investment schemes. A collective investment scheme involves the collection of funds from individual investors for investment. Money-market unit trusts predominantly invest in money-market instruments.

### 2.3.2.1.20 Non-money market unit trusts

Unit trusts can be defined as collective investment schemes. A collective investment scheme involves the collection of funds from individual investors for investment. Non-money market unit trusts predominantly invest in long-term fixed interest securities shares and, to a lesser extent, in money-market instruments.

### 2.3.2.1.21 Other private-sector financial institutions

Private-sector financial institutions cover a diverse group of units such as financial intermediaries and auxiliaries not controlled by government units. Collective investment schemes such as mortgage bond schemes; finance companies, and financial controlling companies are examples of financial intermediaries. Financial auxiliaries include financial institutions that engage in activities closely related to financial intermediation but do not act as intermediaries. Examples of institutions classified as financial auxiliaries are members of formal exchanges, trust companies, insurance brokers, agents and actuaries; investment managers and foreign banks' representative offices.

### 2.3.2.1.22 Private-sector non-financial corporations

Private-sector non-financial corporations are companies registered under the Republic of South Africa's Companies Act, 1973. Private-sector non-financial companies are legal entities separate from their owners principally engaged in the production of market goods and non-financial services at economically significant prices with the intent to generate profit or financial gain for the shareholders.

### 2.3.2.1.23 Household sector

The household sector consists of individuals, families or other groups of persons who share the same accommodation, pool some or all of their income and wealth, and consume some goods and services collectively. Households may engage in economic production. Non-profit institutions serving households form part of this sector. Non-profit institutions are legal or social entities, created for the purpose of producing goods and services, whose status does not permit them to be a source of income, profit, or other financial gain for the units that establish, control or finance them.

## 2.3.2.2 Foreign units and sectors

Non-resident institutional units transacting with resident institutional units are grouped into the foreign sector or the rest of the world. The classification of the foreign sector is based on the distinction between residents and non-residents. The concept of residency is based on the centre of economic interest and not on nationality or purely legal criteria. An institutional unit is considered to be a resident of a country when it has an economic interest in a country, i.e. when it has a location (dwelling or premises) within the economic territory of a country from where it intends to engage indefinitely or over a finite but lengthy period of time (longer than a year) in economic activity on a significant scale. The economic territory of a country consists of the geographic territory administered by government within which persons, goods and capital move freely inclusive of airspace, territorial waters and enclaves.

### 2.3.2.2.1 Foreign banks

A foreign bank is an institution which has been established in a country other than the Republic of South Africa and which lawfully conducts the business of a bank.

### 2.3.2.2.2 Other foreign financial corporations

Other foreign financial corporations cover a diverse group of units, such as financial intermediaries and auxiliaries not controlled by foreign government units which have been established in a country other than the Republic of South Africa. Financial auxiliaries include financial institutions that engage in activities closely related to financial intermediation but do not act as intermediaries.

### 2.3.2.2.3 Foreign non-financial corporations

Foreign non-financial corporations and companies are legal entities separate from their owners, principally engaged in the production of market goods and non-financial services at economically significant prices with the intent to generate profit or financial gain for the shareholders, which have been established in a country other than the Republic of South Africa.

### 2.3.2.2.4 Foreign governments

Foreign governments are institutional units outside the Republic of South Africa that carry out the functions of government as their primary activity, i.e. they have legislative, judicial, or executive authority over other institutional units within a given area.

### 2.3.2.2.5 International organisations

The international organisations sector consists of all international organisations, all of which are non-residents. Supranational organisations are considered a type of international organisation. Supranational authorities are international organisations that have been endowed with the authority to raise taxes or other compulsory contributions within the territories of the countries that are members of the authority.

### 2.3.2.2.6 Other non-residents

Non-resident means a natural or juristic person who is not a resident of the Republic of South Africa. Residents of the Republic of South Africa comprise households and individuals, enterprises, non-profit institutions and the government which have a centre of economic interest in the economy. An economic unit has a centre of economic interest within a country when there exists some location (dwelling or place of production within the economic territory of the country) on or from which the unit engages or intends to continue engaging (either indefinitely or over a finite or lengthy period of time) in economic activities on a large scale. South African diplomats, armed force members, students and medical patients will, however, always be regarded as residents of the Republic of South Africa, irrespective of the duration of their stay outside the borders of South Africa.



## 2.3.3 Financial assets/liabilities and equity

### 2.3.3.1 Ordinary shares

A share is an equity instrument that evidences a residual interest in the assets of an enterprise after payment of debt. Ordinary shares do not bear a fixed dividend and the payment of dividends on ordinary shares is considered only after provision has been made for preference shares, if preference shares have also been issued.

### 2.3.3.2 Preference shares

Preference shares bear a fixed dividend percentage which accrues if not declared and paid for in a particular period. These shares have a preferential right in respect of dividends and the repayment of capital. Shares that pay a fixed income but do not provide for participation in the distribution of the residual value of the corporation on dissolution should be classified as *securities other than shares and bonds*.

### 2.3.3.3 Capital funds and reserves

Capital funds and reserves consist of distributable and non-distributable reserves. Distributable reserves are amounts which have been transferred to reserves and which may be distributed by way of a dividend. Non-distributable reserves are reserves which are not distributable by way of a dividend.

### 2.3.3.4 Retained earnings

Retained earnings are accounting earnings that are retained by an institution for reinvestment in its operations, or earnings that are not paid out as dividends.

### 2.3.3.5 Provisions

Provisions are obligations of an enterprise whose precise amount will only be known at a later date.

### 2.3.3.6 Bonds

Bonds are marketable financial instruments serving as evidence that units have obligations to settle by means of providing cash, a financial instrument or some other item of economic value. Bonds specify a schedule for interest payments and principal repayments.

### 2.3.3.7 Securities other than shares and bonds

Securities other than shares and bonds are negotiable financial instruments other than shares and bonds, serving as evidence that units have obligations to settle by means of providing cash, a financial instrument or some other item of economic value. The security normally specifies a schedule for interest payments and principal repayments.

Negotiable certificates of deposit and promissory notes are excluded from this category, as information pertaining to these securities is required separately. Examples of securities other than shares and bonds include the following:

- Bills (excluding Treasury bills as information is required separately).
- Debentures.
- Commercial paper.
- Tradable depository receipts.
- Notes issued through revolving underwriting facilities and note-issuance facilities (excluding promissory notes, as information is required separately).
- Securitised mortgage loans and credit card receivables.
- Loans that have become marketable de facto.
- Preference shares that pay a fixed income but do not provide for participation in the distribution of the residual value of a corporation on dissolution.
- Bankers' acceptances.

### 2.3.3.8 Promissory notes

A promissory note is an unconditional order in writing, made by one person to another, signed by the issuer engaging to pay on demand or at a fixed or determinable future date, a certain sum in money to a specified person or his order, or to bearer.

### 2.3.3.9 Insurance technical reserves

Insurance technical reserves consist of the net equity of households in pension funds and life insurance reserves, prepaid premiums and reserves against outstanding claims. General government units may incur liabilities for insurance technical reserves as operators of non-life insurance schemes and non-autonomous or unfunded pension schemes, and they may hold assets as non-life insurance policy-holders. It is unlikely that a general government unit would incur liabilities or hold assets with respect to life insurance. Public financial corporations, including autonomous pension funds, can engage in all types of insurance schemes, including life insurance.

### 2.3.3.10 Mortgage loans

A mortgage loan is a debt instrument giving conditional ownership of a real-estate asset, secured by the asset being financed.

### 2.3.3.11 Other loans

A loan is a financial instrument that is created when a creditor lends funds directly to a debtor and receives a non-negotiable document as evidence of the asset. This category includes installment loans, hire-purchase credit, loans to finance trade credit and advances, repurchase agreements, financial assets and liabilities implicitly created by financial leases, and claims on or liabilities to the IMF in the form of loans. (Ordinary trade credit and similar accounts receivable/payable are not loans.)

### 2.3.3.12 Derivative instruments

A financial derivative contract is a financial instrument that is linked to a specific financial instrument, index or commodity, and through which specific financial risks (such as interest rate risk, currency, equity and commodity price risk, credit risk, etc.) can be traded in their own right in financial markets. The value of a financial derivative derives from the price of the underlying financial asset or index.

### 2.3.3.13 Units in unit trusts

Unit trust units can be defined through signifying the holding of a participatory interest in a portfolio of a collective scheme (shares, units or any other form of participatory interest). Non-money market unit trusts invest in instruments such as shares and bonds.

### 2.3.3.14 Units in property unit trusts

Property unit trust units are shares or units signifying the holding of a participatory interest in a collective investment scheme primarily invested in property listed on the JSE Limited (JSE).

### 2.3.3.15 Treasury bills

Treasury bills are short-term marketable instruments issued by national government with maturities of up to one year.

### 2.3.3.16 Negotiable certificates of deposit

Negotiable certificates of deposit (NCDs) are fixed-deposit receipts issued by a bank that are negotiable in the secondary market as financial assets. The issuer undertakes to pay the amount of the deposit plus the interest to the holder of the certificate on maturity date.

### 2.3.3.17 Trade credit and advances

Trade credit and advances include the following:

- Trade credit extended directly to purchasers of goods and services.
- Advances for work that is in progress or to be undertaken, such as progress payments made during construction or for prepayments of goods and services.

Trade credit does not include loans, securities other than shares or other liabilities that are issued to finance trade.

### 2.3.3.18 Accounts receivable/payable

Accounts receivable/payable consist of miscellaneous other items due to be received or paid excluding trade credit and advances. Examples of items to be included here are dividends, rent, wages and salaries, social contributions, social benefits and similar items.

### 2.3.3.19 Transferable deposits

Transferable deposits have the following characteristics:

- Exchangeable on demand at a par and without penalty or restriction.
- Directly usable for making payments by cheque, draft, direct debit/credit or other direct payment facility.

### 2.3.3.20 Other deposits

This category of deposits comprises deposits other than transferable deposits that are represented by evidence of deposit. Non-transferable savings notice and fixed-term deposits are included.

### 2.3.3.21 Deferred tax liabilities/assets

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Tax assets are the amounts of income taxes recoverable in future periods in respect of

- deductible temporary differences;
- the carry-forward of unused tax losses; and
- the carry-forward of unused tax credits.

Temporary differences are differences between the tax base of a liability/asset and its carrying amount on the balance sheet.

### 2.3.3.22 Cash on hand

Cash on hand consists of banknotes and coin in the possession of the reporting organisation.

## 2.3.4 Non-financial assets

### 2.3.4.1 Dwellings

Dwellings are buildings that are used entirely or primarily as residences, including garages and other associated structures. Houseboats, barges, mobile homes and caravans that are used as principal residences are also included. Dwellings acquired for military personnel are included because they are used in the same way as dwellings acquired by civilians.

### 2.3.4.2 Non-residential buildings

Non-residential buildings are all buildings other than dwellings. Examples of types of buildings included in this category are office buildings, schools, hospitals, buildings for public entertainment, warehouse and industrial buildings, commercial buildings, hotels and restaurants. Buildings and structures acquired for military purposes are included to the extent that they are similar to civilian buildings acquired for purposes of production and can be used in the same way.

### 2.3.4.3 Other structures

This category consists of all structures other than buildings. Included are the following:

- Highways, streets, roads, bridges, elevated highways, tunnels, railways, subways and airfield runways.
- Sewers, waterways, harbours, dams and other waterworks.
- Shafts, tunnels and other structures associated with mining subsoil assets.
- Communication lines, power lines and pipe lines.
- Outdoor sport and recreation facilities.

Structures acquired for military purposes are included to the extent that they resemble civilian structures and can be used in the same way.

### 2.3.4.4 Transport equipment

Transport equipment consists of equipment for moving people and objects including motor vehicles, trailers and semi-trailers, ships, railway locomotives and rolling stock, aircraft, motorcycles and bicycles.

### 2.3.4.5 Computer and communication equipment

This includes computer hardware, radio, television and communication equipment. Computer software should not be included under this category of non-financial assets, but is provided for below.

### 2.3.4.6 Other machinery and equipment

This category consists of all machinery and equipment not already listed above. Types of assets that would be included are general and special-purpose machinery; office and accounting equipment; electrical machinery; medical appliances; precision and optical instruments; furniture; watches and clocks; musical instruments; and sports goods. It also includes paintings, sculptures, other works of art or antiques, and other collections of considerable value that are owned and displayed by government museums and similar organisations for the purpose of producing non-market services, mostly collective services. Items of this nature not intended for use in production would be classified as valuables.

### 2.3.4.7 Computer software

Computer software includes computer programs, program descriptions and supporting materials for both systems and applications software that are expected to be used for more than one year. The software may be purchased from other units or developed on own account. Large expenditures on the purchase, development or extension of computer databases that are expected to be used in production for more than one year are also included.

### 2.3.4.8 Other fixed assets

Other fixed assets consist of cultivated assets and intangible fixed assets. Cultivated assets consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services. The types of animals included in this category include breeding stocks (including fish and poultry), dairy cattle, draft animals,

sheep or other animals used for wool production and animals used for transportation, racing or entertainment. The types of plants included in this category include trees, vines and shrubs cultivated for fruits, nuts, sap, resin, bark and leaf products. Animals and plants for one-time use, such as cattle raised for slaughter and trees grown for timber, are classified as inventories rather than fixed assets. Intangible fixed assets consist of mineral exploration; entertainment, literary and artistic originals; and miscellaneous other intangible fixed assets. To qualify as an intangible fixed asset, the item must be intended for use in production for more than one year and its use must be restricted to the units that have established ownership rights over it or to units licensed by the owner. Outlays on research and development, training, market research and similar activities are not treated as intangible fixed assets even though some of them may bring future benefits. These outlays are treated as expenses.

#### 2.3.4.9 Strategic stocks

Strategic stocks (inventories) include goods held for strategic and emergency purposes, goods held by market regulatory organisations and commodities of special importance to the nation, such as grain and petroleum.

#### 2.3.4.10 Other inventories

Other inventories consist of materials and supplies, work in progress, finished goods and goods for resale. Materials and supplies consist of all goods held with the intention of using them as inputs to a production process. Work in progress consists of goods and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing and whose production will be continued in a subsequent period by the same producer. Finished goods consist of goods that are the output of a production process, are still held by their producer, and are not expected to be processed further by the producer before being supplied to other units. Goods for resale are goods acquired for the purpose of reselling or transferring to other units without being processed further.

#### 2.3.4.11 Valuables

Valuables are produced goods of considerable value acquired and held primarily as stores of value and not used primarily for purposes of production or consumption. They are expected to appreciate, or at least not to decline, in real value and they do not deteriorate over time under normal conditions. Valuables consist of the following:

- Precious stones and metals such as diamonds, gold, platinum and silver that are not intended to be used as intermediate inputs to processes of production.
- Paintings, sculptures and other objects recognised as works of art or antiques.
- Jewellery of significant value fashioned out of precious stones and metals, collections and miscellaneous other valuables.

Most items fitting the description of valuables that are owned by general government units will be classified as other machinery and equipment because they are used primarily in museums to produce services for the public rather than held as stores of value.

### 2.3.4.12 Land

Land is the ground itself, including the soil covering, associated surface water and major improvements that cannot be physically separated from the land, but excluding the following:

- Buildings and other structures constructed on the land or through it such as roads, office buildings and tunnels.
- Cultivated vineyards, orchards and other plantations of trees, animals and crops.
- Subsoil assets.
- Non-cultivated biological resources.
- Water resources below the ground.

The associated surface water includes any reservoirs, lakes, rivers and other inland waters over which ownership rights can be exercised and which can, therefore, be the subject of transactions between units.

### 2.3.4.13 Subsoil assets

Subsoil assets are proven reserves of oil, natural gas, coal (including anthracite, bituminous and brown coal), metallic mineral reserves (including ferrous, non-ferrous, and precious metal ores) and non-metallic mineral reserves (including stone quarries, clay and sand pits, chemical and fertiliser mineral deposits, and deposits of salt, quartz, gypsum, natural gem stones, asphalt, bitumen and peat). Mine shafts, wells and other subsoil extraction facilities are fixed assets rather than subsoil assets.

### 2.3.4.14 Other naturally occurring assets

Other naturally occurring assets include non-cultivated biological resources, water resources and the electromagnetic spectrum. Non-cultivated biological resources are animals and plants that are subject to ownership rights that are enforced but whose natural growth and/or regeneration is not under the direct control, responsibility and management of any unit. Examples are virgin forests and fisheries that are commercially exploitable. Only those resources that have economic value that are not included in the value of the associated land are included. Water resources are aquifer and other groundwater resources that are sufficiently scarce to warrant enforcement of ownership and/or user rights, that are exploitable for economic purposes or are likely to be exploitable soon, and that have economic value not included in the value of the associated land. The electromagnetic spectrum consists of the range of radio frequencies used in the transmission of sound, data and television. As observed prices of other naturally occurring assets are not likely to be available, such assets are usually valued at the net present value of expected future returns.

### 2.3.4.15 Intangible non-produced assets

Intangible non-produced assets are constructs of society evidenced by legal or accounting actions. Some entitle their owners to engage in certain specific activities or to produce certain specific goods or services and to exclude other units from doing so except with the permission of the owner. Intangible non-produced assets include patented entities, leases and other contracts, and purchased goodwill.

### 2.3.4.16 Domestic non-financial assets

Domestic non-financial assets refer to non-financial assets located in South Africa.

### 2.3.4.17 Foreign non-financial assets

Foreign non-financial assets refer to non-financial assets located in other countries.

## 3. Form F04 – Accrual income and cash-flow statement

### 3.1 Structure of Form F04

Form F04 encompasses the income and cash-flow statement of public-sector institutions in South Africa. The income statement is a report of all revenue received and accrued and expense incurred for the quarter by the public-sector institution. The cash-flow statement provides information regarding cash flows generated by or used in operating, investing and financing activities. The reconciliation of accrual transactions in non-financial assets data is used for the compilation of the gross domestic product. Expected trend of capital expenditure gives the expected values or expected changes on specific new non-financial assets.

#### Accrual income statement

##### Revenue

- Taxes
- Social security contributions
- Grants
- Property income
- Sales of goods and services
- Fines, penalties and forfeits
- Voluntary transfers other than grants
- Miscellaneous and unidentified revenue
- Realised profits
- Unrealised profits

##### Expense

- Compensation of employees
- Use of goods and services
- Depreciation
- Amortisation
- Interest
- Subsidies
- Grants
- Social benefits
- Other expense
- Miscellaneous other expense
- Realised losses
- Unrealised losses

##### Surplus/deficit

#### Cash-flow statement

##### Cash flows from operating activities

- Operating revenue adjusted for cash flows
- Operating expenditure adjusted for cash flows

##### Cash flows from investing activities

- Purchases of non-financial assets
- Sales of non-financial assets

##### Cash flows from financing activities

- Acquisition of financial assets other than cash and incurrence of liabilities

##### Net change in cash and cash equivalents



## 3.2 Guidelines for completing Form F04

### 3.2.1 Time of recording

Transactions should be recorded on an accrual basis in the income statement and on a cash basis in the cash-flow statement.

### 3.2.2 Specification of “other adjustments”

The items that constitute “other adjustments” should be identified in the space provided.

## 3.3 Definitions

### 3.3.1 Income statement

#### 3.3.1.1 Revenue

Revenue consists of taxes, social security contributions, grants, property income, revenue generated from sales of goods and services, fines, penalties and forfeits, voluntary transfers other than grants, miscellaneous and unidentified revenue as well as realised and unrealised profits.

##### 3.3.1.1.1 Taxes on goods and services

Taxes on goods and services consist of excises.

##### 3.3.1.1.1.1 Excises

Excises are taxes levied on particular products or on a limited range of products. Excises may be imposed at any stage of production or distribution and are usually assessed by reference to the value, weight, strength or quantity of the product. Examples of institutions who have the authority to collect excise taxes are the Road Accident Fund and the Water Research Commission.

##### 3.3.1.1.2 Social security contributions

Contributions made by employers and employees to social security schemes are classified by the source of the contribution. Only the contributions received by the Compensation Commissioner for Occupational Diseases, the Unemployment Insurance Fund and Compensation Fund are included in this category.

##### 3.3.1.1.2.1 Employee contributions

Employee contributions are paid directly by employees or are deducted from employees' wages and salaries and transferred by the employer on their behalf.

#### 3.3.1.1.2.2 Employer contributions

Employer contributions are paid directly by employers on behalf of their employees.

#### 3.3.1.1.2.3 Unallocable social security contributions

These are contributions whose source cannot be determined.

#### 3.3.1.1.3 Grants

Grants are non-compulsory current or capital transfers received by a government unit from another government unit. Current grants are those made for purposes of current expenditure and are not linked to or conditional on the acquisition of an asset by the recipient. Capital grants involve the acquisition of assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use for the acquisition of an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash) or the cancellation of a liability by mutual agreement between the creditor and debtor. If doubt exists regarding the character of a grant it should be classified as current.

#### 3.3.1.1.4 Property income

Property income is received when public-sector institutions place financial assets and/or non-produced assets at the disposal of other units.

##### 3.3.1.1.4.1 Interest

Interest is receivable by public-sector institutions that own certain kinds of financial assets, namely deposits, securities other than shares, loans and accounts receivable. Interest is the revenue earned by the creditor for permitting the debtor to use its funds.

##### 3.3.1.1.4.2 Dividends

Public enterprises, in their capacity as shareholders and owners of a corporation, become entitled to receive dividends as a result of placing equity funds at the disposal of that corporation. The board of directors or other managers of the corporation must declare a dividend payable of their own volition.

##### 3.3.1.1.4.3 Withdrawals from income of quasi-corporations

By definition, quasi-corporations cannot distribute income in the form of dividends, but the owner may choose to withdraw some or all of the income. Conceptually, the withdrawal of such income is equivalent to the distribution of corporate income through dividends. As with dividends, withdrawals from the income of quasi-corporations do not include withdrawals of funds realised by the sale or disposal of assets.

#### 3.3.1.1.4.4 Property income attributed to insurance policy-holders

Insurance enterprises hold technical reserves in the form of prepayments of premiums, reserves against outstanding claims, and actuarial reserves against outstanding risks in respect of life insurance policies. These reserves are considered to be assets of the policy-holders or beneficiaries, including any government units that are policy-holders, and liabilities of the insurance enterprises. Any income received from the investment of insurance technical reserves is also considered to be the property of the policy-holders or beneficiaries and is described as property income attributed to insurance policy-holders.

#### 3.3.1.1.4.5 Rent on non-produced assets

Rent is the property income received from certain leases of land, subsoil assets and other naturally occurring assets. Rent on produced assets must not be included here; it should be included under the category of sales of goods and services.

#### 3.3.1.1.5 Sales of goods and services

##### 3.3.1.1.5.1 Sales by market establishments

As all establishments of public enterprises are market establishments, all sales of public enterprises are included here.

##### 3.3.1.1.5.2 Administrative fees

This item includes fees for compulsory licences and other administrative fees that are sales of services. Examples are drivers' licences, passports, court fees, and radio and television licences. For these fees to be considered a sale of a service, the public-sector institution must exercise some regulatory function or carry out some form of control that it would otherwise not be obliged to do.

##### 3.3.1.1.5.3 Incidental sales by non-market establishments

Other non-market producers consist of establishments owned by government units or non-profit institutions serving households that supply goods or services free, or at prices that are not economically significant, to households or the community as a whole. This item includes sales of goods and services by non-market establishments of general government units other than administrative fees. Included are sales such as sales of products by museums, tuition fees charged by government-owned education institutions, admission fees to government museums and parks as well as cultural and recreational facilities that are not organised by public-sector non-financial enterprises and financial enterprises.

#### 3.3.1.1.6 Fines, penalties and forfeits

Fines and penalties are compulsory current transfers imposed on units by courts of law or quasi-judicial bodies for violations of laws or administrative rules. Out-of-court

agreements are also included. Forfeits are amounts that were deposited with a public-sector institution pending a legal or administrative proceeding and that have been transferred to the public-sector institution as part of the resolution of that process.

#### 3.3.1.1.7 Voluntary transfers other than grants

This category includes gifts and voluntary donations from any source other than governments and international organisations. Current voluntary transfers other than grants include, for example, contributions to government of food, blankets and medical supplies for relief purposes. Capital voluntary transfers other than grants include transfers for the construction or purchase of hospitals, schools, museums, theatres and cultural centres, and gifts of land, buildings or intangible assets such as patents and copyrights. If it is not clear whether the transfer is current or capital, it is classified as current.

#### 3.3.1.1.8 Miscellaneous and unidentified revenue

Included in this category are all revenues that do not fit into any other category and any revenues for which adequate information is not available to permit their classification elsewhere. Current miscellaneous and unidentified revenue consists of revenue that is not linked to or conditional on the acquisition of an asset by the recipient. Capital miscellaneous and unidentified revenue involves the acquisition of assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use for the acquisition of an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), or the cancellation of a liability by mutual agreement between the creditor and debtor. If doubt exists regarding the character of miscellaneous and unidentified revenue, it should be classified as current.

#### 3.3.1.1.9 Profits

The following types of profit are included in this category of revenue:

- Profits arising from the sale or realisation for cash or revaluation of assets or investments at a value higher than book value.
- Profits arising from the redemption, liquidation or revaluation of liabilities at a value lower than book value.
- Profits arising from variations in foreign exchange rates.

#### 3.3.1.2 Expense

Expense consists of compensation of employees, use of goods and services, depreciation, amortisation, interest, social benefits, other expense, miscellaneous other expense as well as realised and unrealised losses.

##### 3.3.1.2.1 Compensation of employees

Compensation of employees is the total remuneration, in cash or in kind, payable to a public-sector institution employee in return for work done during the accounting period,

except for work connected with own-account capital formation. It includes both wages and salaries and social contributions made on behalf of employees to social insurance schemes. Excluded are amounts payable to contractors, self-employed out-workers and other workers who are not employees of the public-sector institution. Any such amounts are recorded under use of goods and services. Compensation of employees engaged in own-account capital formation, which is the production of non-financial assets for own use, is recorded as the acquisition of non-financial assets.

#### 3.3.1.2.1.1 Wages and salaries

Wages and salaries consist of all compensation of government employees except for social contributions by employers. This includes payment in cash or in kind. Wages and salaries in cash consist of payments in cash to employees in return for services rendered before deduction of withholding taxes, and employees' contributions to social insurance schemes. Included are basic wages and salaries; extra pay for overtime, night work and weekend work; cost of living allowances, local allowances and expatriation allowances; bonuses; annual supplementary pay such as "13th-month" pay; allowances for transportation to and from work; holiday pay for official holidays or annual holidays; and housing allowances. Wages and salaries in kind consist of payments in kind to employees in return for services rendered. Examples are meals and drinks, including those consumed when travelling on business; housing services or accommodation of a type that can be used by all members of the household to which the employee belongs; uniforms or other forms of special clothing that employees choose to wear frequently outside the workplace as well as at work; and the services of vehicles or other durables provided for the personal use of employees.

#### 3.3.1.2.1.2 Social contributions

Social contributions are payments, actual or imputed, made to social insurance schemes to obtain entitlement to social benefits for employees, including pensions and other retirement benefits. Actual social contributions consist of contributions payable to insurance enterprises, social security funds or other institutional units responsible for the administration and management of social insurance schemes. Regarding imputed social contributions, some public-sector institutions provide social benefits directly to their employees, former employees or dependents out of their own resources without involving an insurance enterprise or an autonomous or non-autonomous pension fund. In this situation, social contributions equal in value to the amount of social contributions that would be needed to secure the de facto entitlements should be imputed.

#### 3.3.1.2.2 Use of goods and services

This category consists of goods and services used for the production of goods and services, except for own-account capital formation – plus goods purchased for resale less the net change in inventories. Inventories consist of materials and supplies, work in progress, finished goods and goods for resale. Goods acquired for use as fixed assets or valuables or for use in own-account capital formation are classified as acquisitions of fixed assets or valuables.

#### 3.3.1.2.2.1 Goods for resale

Goods for resale are goods acquired for the purpose of reselling or transferring to other units without being further processed.

#### 3.3.1.2.2.2 Work in progress and finished goods

Work in progress consists of goods and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing and whose production will be continued in a subsequent period by the same producer. Finished goods consist of goods that are the output of a production process and are not processed further by the producer before being supplied to other units.

#### 3.3.1.2.2.3 Raw materials and supplies

Raw materials and supplies consist of all goods used during the period in the production process.

#### 3.3.1.2.3 Depreciation

As the economic benefits embodied in an asset are consumed by the enterprise, the carrying amount of the asset is reduced to reflect this consumption, normally by charging an expense for depreciation.

#### 3.3.1.2.4 Amortisation

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

#### 3.3.1.2.5 Interest

Interest is payable by public-sector institutions that incur certain kinds of liabilities, namely deposits, securities other than shares, loans and accounts payable. Interest is the revenue earned by the creditor for permitting the debtor to use its funds.

#### 3.3.1.2.6 Subsidies

Subsidies are current unrequited payments that public-sector institutions make to other enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services they produce, sell, export or import. Subsidies may be designed to influence levels of production, the prices at which outputs are sold, or the remuneration of the enterprises. Subsidies are payable to producers only, not to final consumers, and are current only, not capital transfers. Subsidies can be payable on specific products or on production in general. Subsidies also include transfers to public corporations and quasi-corporations to compensate for losses they incur on their

productive activities as a result of charging prices that are lower than their average costs of production as a matter of deliberate government economic and social policy. If such losses have been accumulated over two or more years, the payments are classified as miscellaneous other capital expense.

### 3.3.1.2.7 Grants

Grants are non-compulsory current or capital transfers from one public-sector institution to another public-sector institution or an international organisation.

### 3.3.1.2.8 Social benefits

Social benefits are defined as transfers in cash or in kind to protect the entire population or specific segments of it against certain social risks. A social risk is an event or circumstance that may adversely affect the welfare of the households concerned either by imposing additional demands on their resources or by reducing their incomes. Examples of social benefits are the provision of medical services, unemployment compensation and social security pensions. They are classified according to the type of scheme governing their payment, which are social security, social assistance and employer social insurance schemes.

#### 3.3.1.2.8.1 Social security benefits

Social security benefits are social benefits in cash or in kind to households by social security schemes.

#### 3.3.1.2.8.2 Employer social benefits

Employer social benefits are social benefits payable in cash or in kind by government units to their employees, or employees of other government units participating in the scheme (or to survivors and dependents of the employees who are eligible for such payments). The kinds of benefits provided are similar to those listed for social security schemes, such as the continued payment of wages during periods of absence from work as a result of ill health, accidents, maternity and similar events; family, education or other allowances; severance allowances in the event of redundancy, incapacity or accidental death; general medical expenses not related to employees' work; and charges for convalescent and retirement homes.

### 3.3.1.2.9 Other expense

#### 3.3.1.2.9.1 Dividends

As public enterprises receive equity funds from government units and possibly other units, they may pay dividends to those units. The board of directors or other managers of the corporation must declare a dividend payable of their own volition.

#### 3.3.1.2.9.2 Withdrawals from income of quasi-corporations (with public corporations only)

By definition, quasi-corporations cannot distribute income in the form of dividends, but the owner may choose to withdraw some or all of the income. Conceptually, the withdrawal of such income is equivalent to the distribution of corporate income through dividends and is treated in the same way. The amount of income that the owner of a quasi-corporation chooses to withdraw will depend largely on the size of its net income. All such withdrawals are recorded on the date the payment actually occurs. As with dividends, withdrawals from income of quasi-corporations do not include withdrawals of funds realised by the sale or other disposal of assets.

#### 3.3.1.2.9.3 Rent on non-produced assets

Rent is the property expense attributed to certain leases of land, subsoil assets and other naturally occurring assets. Rent on produced assets must not be included here; it should be included under the category of use of goods and services.

#### 3.3.1.2.10 Miscellaneous other expense

Miscellaneous other expense includes a number of transfers serving quite different purposes and any other expense transaction not elsewhere classified. Current miscellaneous other expense consists of expense that is not linked to or conditional on the acquisition of an asset by the recipient. Capital miscellaneous other expense involves the acquisition of assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use for the acquisition of an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), or the cancellation of a liability by mutual agreement between the creditor and debtor. If doubt exists regarding the character of miscellaneous other expense, it should be classified as current. Examples of items included in miscellaneous other expense are current and capital taxes, compulsory fees, and fines imposed by one level of government on another level.

#### 3.3.1.2.11 Losses

The following losses should be included in this category of expense:

- Losses arising from the sale or realisation for cash, revaluation of assets or investments at a value lower than the book value.
- Losses arising from the redemption, liquidation or revaluation of liabilities at a value higher than book value.
- Losses arising from variations in foreign exchange rates.

### **3.3.2 Cash-flow statement**

#### 3.3.2.1 Cash flows

Cash flows are inflows and outflows of cash and cash equivalents.



### 3.3.2.2 Operating activities

Operating activities are the principal revenue-producing activities of the enterprise and other activities that are not investing or financing activities.

### 3.3.2.3 Trade and other receivables/payables

Trade and other receivables consist of trade credits and advances and miscellaneous other items due to be received or paid. All such assets and liabilities should be valued at the amount the debtor is contractually obliged to pay the creditor to extinguish the obligation.

### 3.3.2.4 Inventories

Inventories are stocks of goods held by public-sector institutions that are intended for sale, use in production or other use at a later date. These can be strategic stocks, materials and supplies, work in progress, finished goods or goods held for resale. Strategic stocks include goods held for strategic and emergency purposes, goods held by market regulatory organisations and commodities of special importance to the nation, such as grain and petroleum. Materials and supplies consist of all goods held with the intention of using them as inputs to a production process. Work in progress consists of goods and services that have been partially processed, fabricated or assembled by the producer but that are not usually sold, shipped or turned over to others without further processing and whose production will be continued in a subsequent period by the same producer. Finished goods consist of goods that are the output of a production process, are still held by their producer and are not expected to be processed further by the producer before being supplied to other units. Goods for resale are goods acquired for the purpose of reselling or transferring to other units without being further processed.

### 3.3.2.5 Taxes

Taxes are compulsory transfers received by the general government sector. They include fees that are clearly out of proportion to the costs of providing services, but exclude compulsory social contributions, fines and penalties.

### 3.3.2.6 Investing activities

Investing activities are the acquisition and disposal of long-term non-financial assets not included in cash equivalents.

### 3.3.2.7 Non-financial assets

Non-financial assets consist of fixed assets, inventories, valuables and non-produced assets. Fixed assets are produced assets that are used repeatedly or continuously in processes of production for more than one year. Transactions in fixed assets can refer to acquisitions of new assets, construction of new assets on own account, acquisitions and

disposals of existing assets, and major improvements to fixed assets and non-produced assets. Assets can be acquired or disposed of by purchase, sale, barter or transfer. Inventories are stocks of goods that are intended for sale, use in production or other use at a later date. They can be strategic stocks, materials and supplies, work in progress, finished goods or goods held for resale. Valuables are produced assets that are not used primarily for purposes of production or consumption but are held as stores of value over time. Non-produced assets are assets needed for production that have not themselves been produced, such as land, subsoil assets and certain intangible assets.

### 3.3.2.8 Financing activities

Financing activities are activities that result in changes in the size and composition of the equity capital and borrowings of the public-sector institution.

### 3.3.2.9 Financial assets other than cash and cash equivalents

This item consists of financial claims other than cash and cash equivalents. Financial claims are assets that entitle one unit, the owner of the asset (i.e. the creditor), to receive one or more payments from a second unit, the debtor, according to the terms and conditions specified in a contract between the two units. A financial claim is an asset because it provides benefits to the creditor by acting as a store of value. Typical types of financial claims are deposits, loans, bonds, financial derivatives and accounts receivable.

### 3.3.2.10 Liabilities

Domestic liabilities refer to liabilities where the creditor of the liability is a resident of South Africa, whereas foreign liabilities refer to liabilities where the creditor of the liability is a non-resident of South Africa. An institutional unit is resident in South Africa if it has a centre of economic interest in the economic territory of South Africa. The economic territory of a country consists of the geographic territory administered by the government. When a financial claim is created, a liability of equal value is simultaneously incurred by the debtor as the counterpart of the financial asset. That is, the payment or payments that the creditor has a contractual right to receive are also the payment or payments that the debtor is contractually obligated to provide. Thus, liabilities are obligations to provide economic benefits to the units holding the corresponding financial claims.

### 3.3.2.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 3.3.3 Employment information

The following personnel should be **included** in the personnel numbers reported on Form F04:

- Directors.
- Executive, managerial, casual and any other employees who received payment but who are not included on the main payroll.
- Employees who were absent during the relevant quarter but who received payment through the payroll.
- Employees who were absent on paid leave or on leave without payment.
- Employees paid commission only.
- Employees paid through the payroll from the Compensation Commissioner's Compensation Fund.
- Employees working abroad but paid from South Africa.

The following personnel should be **excluded** from the personnel numbers reported in Form F04:

- Subcontractors and self-employed consultants.
- Employees not paid during the relevant quarter.
- Employees working in South Africa but paid from abroad.

## Notes

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