

**Corporation for
Public Deposits**

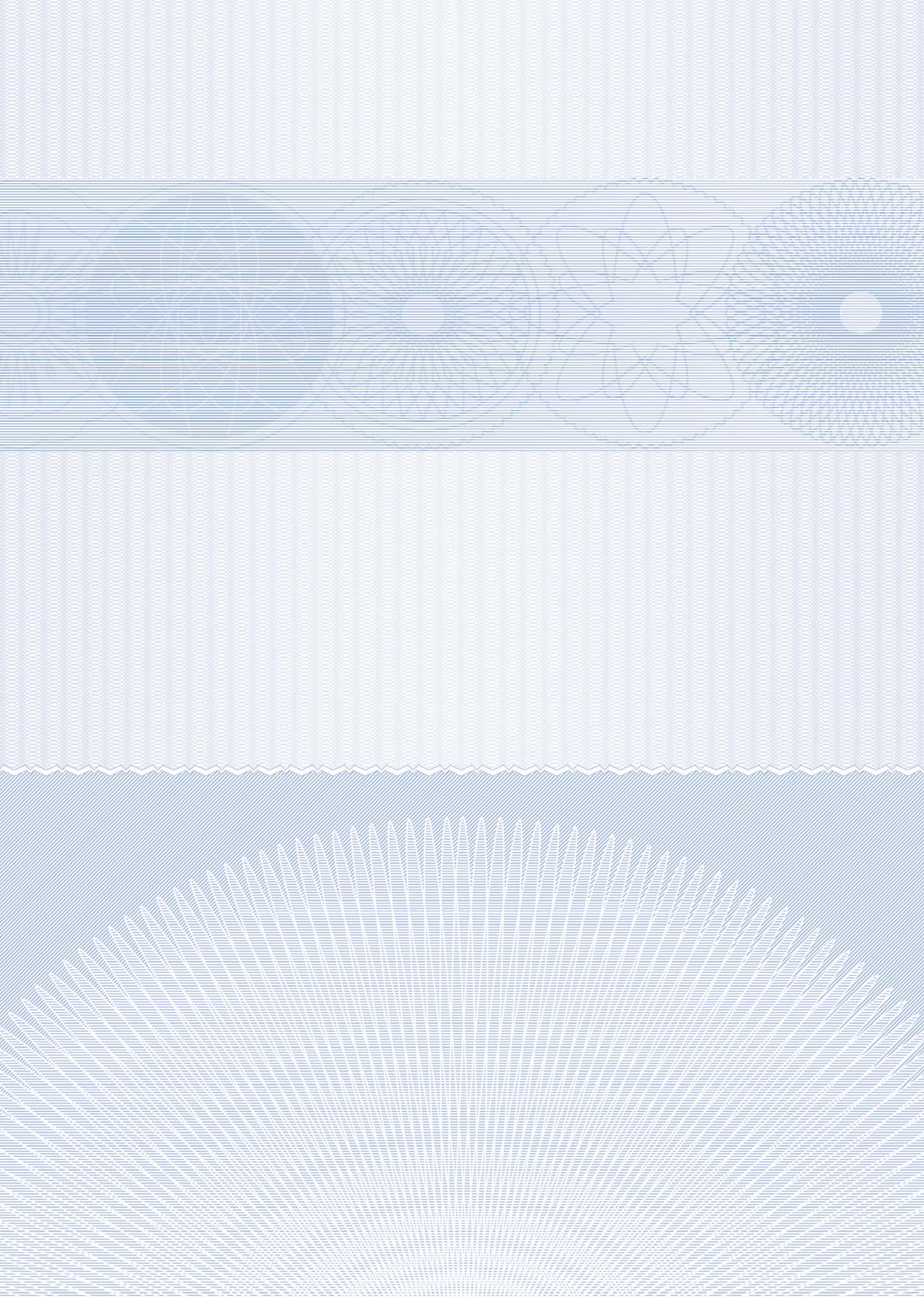
**Annual Financial
Statements
for the year ended
31 March 2011**



Corporation for Public Deposits

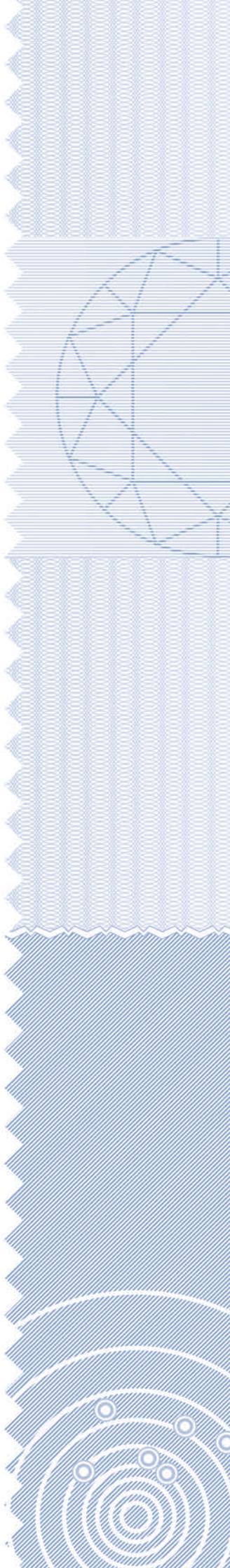
**Annual Financial
Statements
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Contents

	Page
Approval and statement of responsibility	2
Independent auditor's report to the member of the Corporation for Public Deposits	3
Report of the directors	4
Statement of financial position.....	6
Statement of comprehensive income	6
Statement of cash flows	7
Statement of changes in equity	7
Notes to the financial statements	8



Approval and statement of responsibility

The directors are responsible for the maintenance of adequate accounting records, and the preparation and integrity of the annual financial statements and related information. The external auditors are responsible for the independent auditing of, and reporting on, the fair presentation of annual financial statements in conformity with International Accounting Standards (IASs). The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

The directors are also responsible for the corporation's systems of internal financial control. These systems are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements; to safeguard, verify and maintain accountability of assets adequately; and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements have been prepared on a going-concern basis, since the directors have every reason to believe that the corporation has adequate resources in place to continue to operate in the foreseeable future.

The annual financial statements have been audited by an independent accounting and auditing firm, PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, that is, the South African Reserve Bank, and the Board of Directors (the Board) and committees of the Board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate.

The annual financial statements were approved by the Board and are signed on its behalf by:



A D Mminele
Chairperson



L Fuzile
Director

Pretoria
6 May 2011

Independent auditor's report to the member of the Corporation for Public Deposits

We have audited the annual financial statements of the Corporation for Public Deposits (CPD) which comprise the statement of financial position as at 31 March 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report as set out on pages 4 to 16.

Directors' responsibility for the financial statements

The CPD's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984), and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation for Public Deposits as of 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).



Director: A Taylor
Registered Auditor
Sunninghill

6 May 2011

Report of the directors

The directors present the Corporation for Public Deposits' (CPD) 27th Annual Financial Statements for the year ended 31 March 2011.

Nature of the Corporation for Public Deposits

The CPD is a juristic person established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984) (the CPD Act). It is a wholly owned subsidiary of the South African Reserve Bank (the Bank).

Nature of the business

The CPD accepts deposits from the public sector and invests these funds in short-term money-market instruments and special Treasury bills, and with the Bank. It may also accept call deposits from other depositors with the approval of the Minister of Finance (the Minister). All funds invested with the CPD are repayable on demand.

Board of Directors

The affairs of the CPD are managed and controlled by its Board of Directors (the Board). The Board assumes ultimate responsibility for the corporation. In accordance with the CPD Act, the Board comprises four persons appointed by the Minister. Two are persons holding office of Governor or Deputy Governor at the Bank, or who are officers of the Bank, and the other two are officers of National Treasury.

The term of office of directors who are officers of the Bank is three years, and these directors are eligible for reappointment. The term of office of directors who are officers of National Treasury is decided by the Minister.

The Chairperson of the Board is appointed by the Minister.

The CPD Act allows directors to nominate, with the concurrence of the Board, alternate directors to act in their place during their absence or inability to act as directors.

The following served as directors of the CPD during the financial year:

- Aaron Daniel Mminele: South African Reserve Bank Deputy Governor and Chairperson of the Board; reappointed on 24 March 2010.
- Roelof Michiel du Plooy: South African Reserve Bank; appointed on 24 March 2010.
- Lungisa Fuzile: National Treasury; appointed on 30 September 2008.
- Bulelwa Boqwana: National Treasury; appointed on 19 August 2009.

Alternate directors during the financial year were as follows:

- Gerhard Johan Terblanche (alternate to A D Mminele): retired on 31 July 2010.
- Naidene Ford-Hoon (replaced G J Terblanche as alternate to A D Mminele): appointed on 27 August 2010.
- Tom Khosa (alternate to R M du Plooy): appointed on 27 August 2010.
- Johannes David Redelinghuys (alternate to L Fuzile): appointed on 23 March 2004.
- Johan Hendrik Krynauw (alternate to B Boqwana): appointed on 23 March 2004.

Owing to the scope and risk profile of the CPD, the Board has elected not to appoint any Board committees to support it in the discharge of its responsibilities.

The Board meets at least four times a year to consider matters of the CPD. During the year under review, the Board continued to provide oversight over the accounting and investment of funds; the performance of investments and interest rate structures; activities and accounts of depositors and issuers of securities; and adherence to approved investment guidelines.

Directors are not remunerated for the services rendered to the CPD.

Attendance schedule for CPD Board meetings, 2010/11

	02/06/10	27/08/10	11/11/10	21/02/11
A D Mminele	✓	✓	✓	✓
R M du Plooy	✓	✓	✓	✓
J D Redelinghuys	✓	✓	×	×
L Fuzile	×	×	×	×
B Boqwana	✓	✓	✓	✓

× Absent with apology
✓ Present

Accountability

The financial statements of the CPD are submitted to the Minister within six months after the end of the financial year, whereafter the Minister tables them in Parliament.

Internal controls

The Internal Audit Department of the Bank evaluates internal controls. The Risk Management and Compliance Department assesses the risk management processes of the CPD. The Audit Committee of the Bank is responsible for evaluating and monitoring internal controls for the corporation.

Administration and accounting

The CPD is accommodated in the Bank's Head Office building and uses the Bank's staff, accounting systems and other infrastructure.

The administration and accounting of funds under the control of the CPD are done by the Financial Services Department and the investment of funds by the Financial Markets Department of the Bank.

Basis of accounting

The basis of accounting is in accordance with International Financial Reporting Standards (IFRSs). The accounting policies applied were consistent with the previous year.

Reserve fund

The reserve fund is maintained at the discretion of the directors to protect the corporation's investments against market fluctuations. No adjustments were made to the reserve fund during the year.

Financial results

The statement of comprehensive income appears on page 6. Profit for the year amounted to R53,1 million (2010: R37,7 million). The appropriations are set out in the statement of changes in equity, which appears on page 7. The profit remaining after the payment of a dividend amounted to R52,9 million, which will be paid to government in terms of the CPD Act.

Dividend

A dividend of 10 cents per ordinary share was declared and paid during the year.

Secretary

Mhitthiemang Abigail Masibi-Malotle

Registered office

South African Reserve Bank
370 Church Street
Pretoria, Republic of South Africa, 0002

Statement of financial position

as at 31 March 2011

	Notes	2011 R'000	2010 R'000
Current assets			
Money-market investments	2	8 106 519	2 785 112
Short-term deposits	3	3 008 737	13 391 722
Total assets		11 115 256	16 176 834
Liabilities			
Deposit accounts	4	10 831 442	15 894 469
Other financial liabilities	5	92	175
Bank overdraft		149 852	163 727
Surplus due to government	6	52 870	37 463
Total liabilities		11 034 256	16 095 834
Capital and reserves			
Share capital	7	2 000	2 000
Contingency reserve	8	79 000	79 000
Total capital and reserves		81 000	81 000
Total liabilities, capital and reserves		11 115 256	16 176 834

Statement of comprehensive income

for the year ended 31 March 2011

Interest income	9	2 058 053	1 502 573
Interest expense	10	2 004 131	1 464 069
Net interest income		53 922	38 504
Total income	11.1	53 922	38 504
Operating costs	11.2	852	841
Profit for the year	11	53 070	37 663
Taxation	12	-	-
Total comprehensive income for the year		53 070	37 663

Statement of cash flows

for the year ended 31 March 2011

	Notes	2011 R	2010 R
Cash flows from operating activities			
Cash utilised by operating activities	13.1	(935)	(831)
Interest received	13.2	2 064 519	1 503 160
Interest paid		(2 004 131)	(1 464 069)
Dividends paid		(200)	(200)
Transfer to government		(37 463)	(85 772)
Net cash flows generated from/(utilised by) operating activities		21 790	(47 712)
Cash flows generated from investing activities			
Cash flows generated from investing activities		5 055 112	(6 069 392)
(Increase)/Decrease in other financial assets	13.3	(5 327 873)	3 709 692
Decrease/(Increase) in short-term deposits		10 382 985	(9 779 084)
Cash flows from financing activities			
(Decrease)/Increase in deposits		(5 063 027)	6 109 407
Net increase/(decrease) in cash and cash equivalents		13 875	(7 697)
Cash and cash equivalents/(bank overdraft) at beginning of the year		(163 727)	(156 030)
Cash and cash equivalents/(bank overdraft) at end of the year		(149 852)	(163 727)

Statement of changes in equity

for the year ended 31 March 2011

	Share capital	Accumulated profit	Statutory reserve	Contingency reserve	Bond re-valuation reserve	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 31 March 2009	2 000			79 000		81 000
Total comprehensive income for the year		37 663				37 663
Transfer to government		(37 463)				(37 463)
Dividends paid		(200)				(200)
Balance at 31 March 2010	2 000			79 000		81 000
Total comprehensive income for the year		53 070				53 070
Transfer to government		(52 870)				(52 870)
Dividends paid		(200)				(200)
Balance at 31 March 2011	2 000	0	0	79 000	0	81 000

Notes to the financial statements

for the year ended 31 March 2011

1. Accounting policies

The principal accounting policies adopted and applied in the preparation of these annual financial statements are set out below.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires the use of certain critical accounting estimates. This also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to these financial statements.

1.1 Basis of preparation

These annual financial statements were prepared in accordance with IFRSs. The financial statements are prepared in accordance with the going-concern basis under the historical cost basis, except as discussed below.

1.2 Financial instruments

Classification

Financial instruments as reflected on the balance sheet include all financial assets and financial liabilities. Management determines the appropriate classification at initial recognition of the financial instruments. Financial instruments of the CPD are classified as follows:

Financial assets

The following financial asset has been classified as 'designated at fair value':

- Local money-market investments.

Financial liabilities

The following financial liabilities have been classified as 'other financial liabilities':

- Deposit accounts.
- Accounts payable.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand.

Recognition

The CPD recognises financial assets designated at fair value on the date on which it becomes party to the contractual provisions to purchase the assets, and applies the trade date accounting for 'regular-way' purchases and sales. From this date, any gains or losses arising from changes in fair value of the assets are recognised in the statement of comprehensive income.

Other financial liabilities are recognised on the day on which they are transferred to the CPD or the day on which the funds are advanced.

Measurement

Initial measurement

Financial instruments are measured initially at fair value, including transaction cost.

Subsequent measurement

Financial instruments are carried at fair value.

Fair values are established as follows:

- Local money-market investments: The fair values of money-market investments are quoted fair values as obtained from portfolio managers. The managers utilise quoted market prices for quoted financial instruments and market-acceptable valuation techniques for unquoted financial instruments in their valuation of fair value. Where these instruments are bank deposits, they are valued at nominal values plus accrued interest based on markets rates. These values approximate fair values. Non-interest-bearing Treasury bills are stated at nominal value, since they do not have fixed maturity dates.
- Non-trading liabilities: Non-trading liabilities are measured at amortised costs and are re-measured for impairment losses, except as set out as follows:
 - (a) Non-interest-bearing deposit accounts, since these accounts do not have fixed maturity dates.

Impairment of financial assets

A review to determine possible impairment is carried out at each year-end. A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Any additional impairment loss is recognised in the income statement. If in a subsequent period the amount relating to an impairment loss can be linked objectively to an event after the write-down, the write-down is reversed through the statement of comprehensive income.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of trading instruments are recognised in the statement of comprehensive income in the period in which they arise. Premiums or discounts of financial instruments carried at cost are recognised in the statement of comprehensive income in the period in which they arise.

1.3 Provisions

Provisions are recognised when the CPD has a present constructive or legal obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be measured.

1.4 Revenue recognition

Interest income is recognised at the effective rates of interest inherent in finance contracts and is brought into income in proportion to the balance outstanding using the time-proportional method. Interest income includes amortisation of any discount or premium, or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

1.5 Contingencies and commitments

Transactions are classified as 'contingencies' where the CPD's obligations depend on uncertain future events that are not within its control. Items are classified as 'commitments' where the CPD commits itself to future transactions with external parties.

2. Money-market investments

	2011	2010
	R'000	R'000
Local money-market investments	8 106 519	2 785 112
Non-interest-bearing Treasury bills	47 356	257 671
Land Bank promissory notes	257 061	257 862
Negotiable certificates of deposit	5 328 760	1 334 389
Bridging bonds	300 775	-
Repurchase agreements	1 293 210	28 472
Other interest-bearing instruments	100 404	609 575
Other discount instruments	778 953	297 143
	8 106 519	2 785 112
Summary per maturity		
1 month and less	3 123 432	1 117 091
Between 1 and 3 months	2 518 152	1 466 260
More than 3 months	2 464 935	201 761
	8 106 519	2 785 112

Non-interest-bearing Treasury bills are funded by non-interest-bearing deposits in terms of an agreement with National Treasury.

The following table represents details of collateral received for repurchase agreements:

Fair value of collateral received	1 384 000	27 000
Fair value of collateral permitted to sell or repledge at the reporting date	1 384 000	27 000
Fair value of collateral sold or repledged at the reporting date	-	-
Collateral cover	107,02%	94,83%
Maturity date	7 April 2011	1 April 2010

As at the reporting date, none of the collateralised advances were past due or impaired.

The counterparties are exposed to interest rate risk on the various securities pledged as collateral for repurchase agreements. The CPD has the ability to sell or repledge these securities in the event of default.

A reclassification of the entire portfolio was deemed necessary to better reflect the financial assets and liabilities of the CPD. The effect was to reclassify 'financial assets held for trading' to 'financial assets designated at fair value'. There was no effect to the statement of comprehensive income.

3. Short-term deposits

Call deposit at the South African Reserve Bank	2 950 000	10 736 000
Call deposits at commercial banks	5 000	2 556 000
Accrued income	53 737	99 722
	3 008 737	13 391 722

Short-term deposits are made for varying periods, depending on the CPD's immediate cash requirements.

The call deposit at the South African Reserve Bank (the Bank) earns interest at a rate equal to the average of the prevailing yield on 91-day Treasury bills and the average rate paid on the most recent 28-day reverse repurchase transaction conducted by the Bank with market counterparts. The 91-day Treasury bill yield will be applicable if this rate falls below the Treasury bill yield. The call deposits at commercial banks earn interest at market-related rates.

4. Deposit accounts

	2011 R'000	2010 R'000
Interest-bearing deposits	10 783 686	15 636 798
Non-interest-bearing deposit	47 756	257 671
	<u>10 831 442</u>	<u>15 894 469</u>

Deposits are repayable on demand in terms of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

In terms of the current interest rate policies as approved by the Board of Directors, deposits earn interest at a rate of 10 basis points less than the yield on 91-day Treasury bills. The prevailing rate at the year-end was 5,45 per cent (2010: 6,61 per cent). Non-interest-bearing deposits fund the non-interest-bearing Treasury bills referred to in Note 2 on page 10.

5. Other financial liabilities

Accounts payable and sundry balances	<u>92</u>	<u>175</u>
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6. Surplus due to government

Surplus to be transferred to government	<u>52 870</u>	<u>37 463</u>
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In terms of section 15 of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984), the surplus remaining after provision has been made for dividends and transfers to reserves must be transferred to government.

7. Share capital

Authorised 2 000 000 ordinary shares at R1 each	<u>2 000</u>	<u>2 000</u>
Issued 2 000 000 ordinary shares at R1 each	<u>2 000</u>	<u>2 000</u>

8. Contingency reserve

The reserve fund is maintained at the discretion of the Board of Directors in accordance with section 15 of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

Balance as at the beginning of the year	<u>79 000</u>	<u>79 000</u>
Transfer from retained income	0	0
Balance as at the end of the year	<u>79 000</u>	<u>79 000</u>

9. Revenue

Interest is recognised on a time-proportion basis which takes into account the effective yield on the asset over the period it is expected to be held.

	2011 R'000	2010 R'000
Interest on call deposits	865 070	727 799
Interest on financial instruments	1 127 990	698 232
Discount	64 993	76 542
	2 058 053	1 502 573

10. Interest expense

Interest on call deposits	1 995 813	1 453 948
Interest on overdraft	8 318	10 117
Interest on margin call	-	4
	2 004 131	1 464 069

Interest paid on call deposits is calculated at a rate of 10 basis points less than the yield on 91-day Treasury bills. The prevailing rate at the year-end was 5,45 per cent (2010: 6,61 per cent).

Interest paid on an overdraft is calculated at a rate of 40 basis points less than the average rate on 91-day Treasury bills. The prevailing rate at the year-end was 5,07 per cent (2010: 6,20 per cent).

11. Profit for the year

11.1 Total income is stated after crediting

Realised profit and (loss) on money-market instruments	5	(264)
Loss on fair value adjustments	(6 466)	(587)

11.2 Operating costs include

Audit fees	186	175
Other operating costs	666	666

12. Taxation

No provision has been made for taxation, since the CPD is exempt from taxation in terms of section 13 of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

13. Notes to statement of cash flows

13.1 Cash utilised by operating activities

	2011 R'000	2010 R'000
Profit for the year	53 070	37 663
Adjustment for:		
Interest received	(2 058 053)	(1 502 573)
Interest paid	2 004 131	1 464 069
	(852)	(841)
Movement in working capital:		
(Decrease)/Increase in accounts payable	(83)	10
	(935)	(831)

13.2 Interest received

Interest as per income statement	2 058 053	1 502 573
Adjustment for non-cash flow item:		
Loss on fair value adjustment	6 466	587
	2 064 519	1 503 160

13.3 Decrease in other financial assets

(Increase)/Decrease in financial assets	(5 321 407)	3 710 279
Adjustment for non-cash flow item:		
Loss on fair value adjustment	(6 466)	(587)
	(5 327 873)	3 709 692

14. Post-balance-sheet events

There was no event subsequent to the balance-sheet date that has had a significant effect on the financial statements.

15. Risk management

Interest rate management

Deposits

In terms of the current interest rate policies as approved by the Board of Directors (the Board), interest will be paid to all depositors at a rate of 10 basis points less than the yield on 91-day Treasury bills as determined at the most recent weekly Treasury bill auction.

Investments

Interest-bearing deposits are invested in call deposits and other money-market instruments at the market-related yields. Interest at the prevailing yield less 10 basis points on 91-day Treasury bills is earned on special Treasury bills. An amount equal to the non-interest-bearing deposits is invested in non-interest-bearing special Treasury bills.

The CPD also invests funds in the market on a buy- or sell-back basis at market-related yields. With respect to repurchase transactions and the call deposit transactions between the South African Reserve Bank (the Bank) and the CPD, the Bank will pay to the corporation a rate equal to the average of the prevailing yield on 91-day Treasury bills and the average rate paid on the most recent 28-day repurchase transactions conducted by the Bank with its market counterparts. The 91-day Treasury bill yield will be applicable if this rate falls below the Treasury bill yield.

The CPD's financial assets and liabilities earn and bear interest at rates linked to South African money-market rates. The repricing of these assets and liabilities therefore occurs at approximately the same time. Accordingly, the corporation is not subject to significant interest rate risk in respect of these instruments.

Credit risk management

Call deposits

The CPD invests in banks that have capital and reserves in excess of R1 billion, and limits its exposure to 10 per cent thereof. The exposure to call deposits at banks at 31 March 2011 was R5 million. The corporation also places call deposits with the South African Reserve Bank. The total exposure to call deposits at 31 March 2011 was R2 950 million.

Other money-market instruments

The CPD may have significant investment exposure to other money-market instruments, such as promissory notes and negotiable certificates of deposit. Where applicable, the exposure to these instruments is subject to, and forms part of, the same 10 per cent limit as the call deposits referred to above.

In terms of the investment guidelines approved by the Board, all investments are placed with Investment Grade institutions and with the Bank. The Fitch Short-term National Credit Ratings for the institutions primarily utilised are all F1+, which is the highest rating available in the short term. The majority of investments are invested in the short term with maturity in less than three months. The profitability of the CPD is monitored regularly and the Board has the authority to adjust the interest rate payable to depositors in order to maintain the desired results.

Liquidity risk

In view of the short-term nature of the CPD's liabilities, its investment policy is to invest in assets with a maturity of less than three years and further to invest at least 60 per cent of all funds in assets with a maturity of less than three months. The maturity structure of the investments at 31 March 2011 is shown in Note 2.

Deposits

The business of the CPD is to accept call deposits and invest the funds so obtained in short-term money-market instruments, special Treasury bills and with the Bank.

The Financial Markets Department of the Bank is responsible for investing the funds deposited with the CPD according to the Investment Guidelines approved by the Board. The Financial Markets Department endeavours to invest funds in an optimal manner, taking into account the expected cash flow of the CPD, the interest rate cycle, possible liquidity impact and market tendencies. To minimise risk, investments are only made with Investment Grade institutions and with the Bank. These institutions are reviewed regularly to ensure that requirements are met.

Sensitivity analysis

The following table illustrates the impact on the CPD's profit for the year, if interest rates were to increase or decrease:

	Increase in base points	Sensitivity of net interest income	Decrease in base points	Sensitivity of net interest income
2011: Cash and cash equivalents	+100	181 187	-100	(181 187)
2010: Cash and cash equivalents	+100	129 639	-100	(129 639)

Fair values

The following table is a comparison by category of carrying amounts and fair values of all the corporation's financial instruments:

	Carrying amount		Fair value	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Financial assets				
Other financial assets	8 106 519	2 785 112	8 106 519	2 785 112
Short-term deposits	3 008 737	13 391 722	3 008 737	13 391 722
Financial liabilities				
Deposits	10 831 442	15 894 469	10 831 442	15 894 469
Other financial liabilities	92	175	92	175
Bank overdraft	149 852	163 727	149 852	163 727

Market values have been used to determine the fair value. The fair value of other financial assets has been calculated using market interest rates.

16. Related party disclosures

Name	Relationship
South African Reserve Bank	Holding company
South African Mint Company (Pty) Limited	Fellow subsidiary
South African Bank Note Company (Pty) Limited	Fellow subsidiary
South African Reserve Bank Captive Insurance Company Limited	Fellow subsidiary
South African Reserve Bank Pension Fund	Pension fund of holding company
South African Reserve Bank Retirement Fund	Pension fund of holding company

The following table provides a summary of transactions that have been entered into with related parties for the relevant financial year:

2011	Expenditure paid to	Interest received	Interest paid	Amounts owed by	Amounts owed to
	R'000	R'000	R'000	R'000	R'000
South African Reserve Bank	662	796 555	8 318	3 001 008	149 852
South African Mint Company (Pty) Limited			12 219		235 772
South African Bank Note Company (Pty) Limited			14 238		176 275
South African Reserve Bank Captive Insurance Company Limited			416		4 163
South African Reserve Bank Pension Fund			255		5 149
South African Reserve Bank Retirement Fund			3 934		111 256
2010	Expenditure paid to	Interest received	Interest paid	Amounts owed by	Amounts owed to
	R'000	R'000	R'000	R'000	R'000
South African Reserve Bank	662	513 832	10 117	10 817 463	163 727
South African Mint Company (Pty) Limited			9 296		191 053
South African Bank Note Company (Pty) Limited			17 180		261 078
South African Reserve Bank Captive Insurance Company Limited			1 873		1 828
South African Reserve Bank Pension Fund			713		5 227
South African Reserve Bank Retirement Fund			9 922		87 282

Terms and conditions of transactions with related parties

Related party transactions are concluded at arm's length. Outstanding balances at the year-end are unsecured and settlement is in cash. No guarantees have been provided or received for any related party receivables or payables.