8

2024 BUDGET REVIEW

FINANCIAL POSITION OF PUBLIC-SECTOR INSTITUTIONS

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

In brief

- Most state-owned companies remain in distress due to weak governance, financial strain and poor operational performance.
- Eskom and Transnet are implementing reforms in line with their respective debt-relief and guarantee conditions, although progress is slow.
- Development finance institutions continue to recover and show resilience in a difficult economic climate, although the Land Bank remains in default.
- The financial position of the social security funds is expected to deteriorate over the medium term.

OVERVIEW

This chapter reports on the financial position of major state-owned companies, development finance institutions and social security funds. These entities continue to be affected by the subdued economic environment, poor governance and operational factors. Most state-owned companies remain in distress and rely on government bailouts to continue operations, while development finance institutions show more resilience.

STATE-OWNED COMPANIES

Companies listed in schedule 2 of the Public Finance Management Act (1999), or major public entities, are intended to operate as sustainable businesses that generate profits and can borrow on the strength of their balance sheets. These entities have extensive borrowing powers compared with other public entities. However, their lack of capital investment has affected their ability to generate revenue, while operational costs continue to increase. Many state-owned companies have failed to implement their turnaround plans. This has resulted in deteriorating profitability, an increased need for guarantees in order to borrow and more requests for bailouts.

Table 8.1 summarises the financial position of state-owned companies at the end of 2022/23. There is a growing trend of entities failing to submit their financial statements on time, largely due to going-concern issues.

Table 8.1 Combined balance sheets of state-owned companies[1]

R billion/per cent growth	2018/19	2019/20	2020/21[2]	2021/22[2]	2022/23[3]
Total assets	1 269.0	1 313.4	1 251.9	1 283.4	1 276.3
	0.5%	*3.5%*	*-4.7%*	*2.5%*	*-0.6%*
Total liabilities	927.0	960.7	871.7	864.4	868.9
	2.9%	*3.6%*	*-9.3%*	*-0.8%*	*0.5%*
Net asset value	342.0	352.7	380.2	419.0	407.4
	-5.5%	*3.1%*	*7.8%*	*10.2%*	*-2.8%*
Return on equity (average)	-8.0%	-9.9%	-13.1%	-2.6%	-7.7%

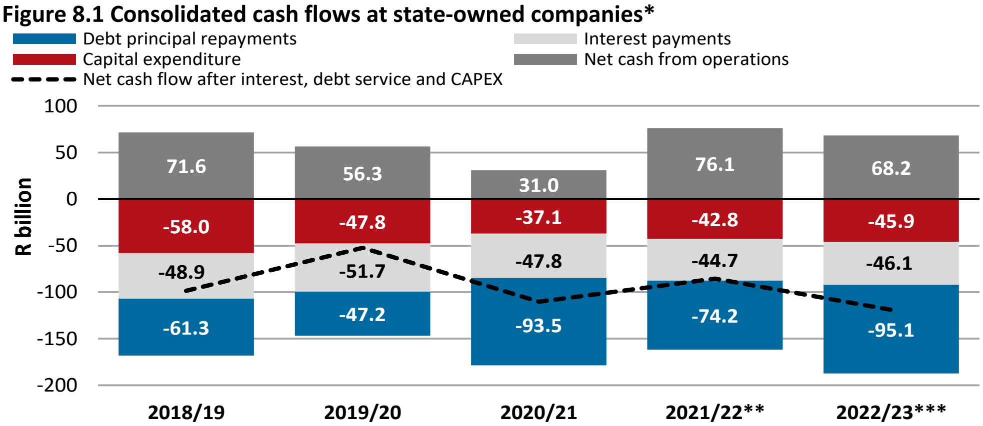
1. State-owned companies listed in schedule 2 of the PFMA, excluding development finance institutions
2. Numbers may differ from earlier publications due to restatement or error
3. Delayed release of audited financial statements from some companies; therefore, unaudited financial results or quarter 4 reports for 2022/23 were used
Source: National Treasury

While the financial position of state-owned companies rebounded after the COVID-19 pandemic in 2021/22, the tough economic environment and historically poor operational performance meant that their overall financial position deteriorated in 2022/23. Subsequently, the Eskom debt-relief arrangement was introduced, the South African Post Office was placed in business rescue and a guarantee framework agreement was concluded for Transnet.

Total assets decreased marginally by 0.6 per cent to R1.28 trillion in 2022/23. The net asset value declined by 2.8 per cent to R407.4 billion in 2022/23, primarily due to increased losses reported by the majority of state-owned companies. Average profitability, measured by return on equity, deteriorated from -2.6 per cent in 2021/22 to -7.7 per cent in 2022/23. The negative return on equity is largely the result of weak revenue growth, high costs and elevated debt-service costs.

Figure 8.1 shows a decline in the combined cash flow of major state-owned companies in 2022/23. Falling profitability led to a 10.5 per cent decrease in net cash from operations, from R76.1 billion in 2021/22 to R68.2 billion in 2022/23. While capital expenditure increased by 7.4 per cent from R42.8 billion in 2021/22 to R45.9 billion, it remains below budget primarily due to declining cash flows. Debt-service costs – including interest on debt and repayments of the principal – continue to put pressure on cash flows.

Figure 8.1 Consolidated cash flows at state-owned companies*



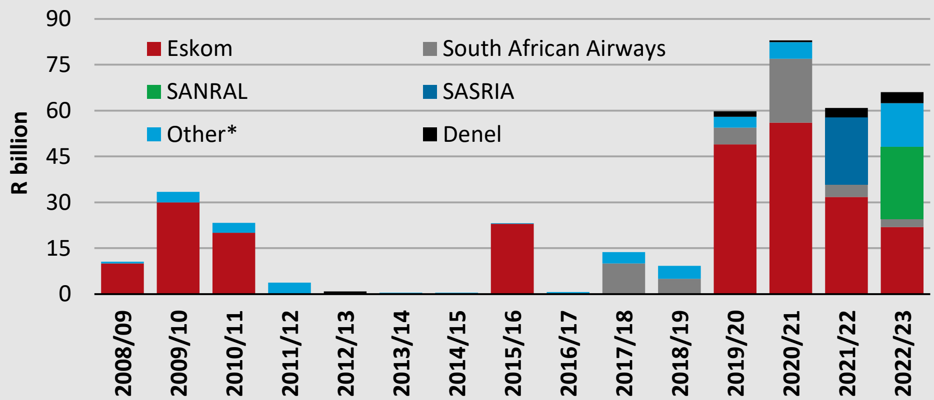
**State-owned companies listed in the PFMA schedule, excluding development finance institutions*
***Please note that numbers may differ from earlier publications due to restatement or error*
****Due to reporting delays, unaudited financial results or quarter 4 reports for 2022/23 were used*
Source: National Treasury

Insufficient revenue collection and high operating costs continue to reduce the cash available to fund business operations. Net cash available after interest, debt service and capital expenditure declined by 39.1 per cent to -R119 billion in 2022/23. State-owned companies are struggling to access capital markets without government guarantees and, increasingly, request bailouts to service debt and fund turnaround plans – which is unsustainable. These bailouts erode policy space, as they require the redirection of resources from key public service priorities, such as education, public safety and criminal justice, to entities that are meant to be financially self-sufficient.

How state-owned company support has become a drain on the fiscus

A key driver of South Africa's increasingly constrained fiscal position is the expansion of financial support to state-owned companies. Eskom has dominated these bailouts. From 2008/09 to 2022/23, Eskom received R241.6 billion in fiscal support. In some cases, rapid injections through the budget had little to no impact on the service offering. For example, South African Airways (SAA) received a total of R48.2 billion over six years and still went into business rescue.

Figure 8.2 Recapitalisation of state-owned companies



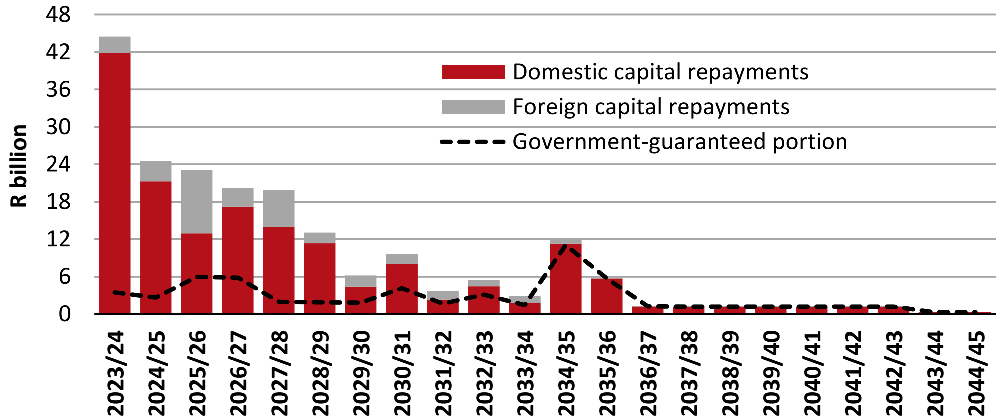
**Includes DBSA, SABC, Transnet, Airports Company South Africa, Land Bank, South African Express, South African Post Bank and SAPO*
Source: National Treasury

Government has been working to reduce its exposure, as expressed by the guarantee portfolio of these companies. Between March 2022 and March 2023, loan guarantees issued declined from R559.9 billion to R478.5 billion. However, this does not deal with the core challenges facing these institutions. For this reason, several reforms have been implemented to mitigate such fiscal exposure. These reforms include improving the transparency of guarantees for better monitoring and accountability, and using guarantee conditions to raise operational efficiency and reduce financial reliance on government – such as by requiring cost optimisation and private-sector participation.

DEBT OBLIGATIONS

Figure 8.3 shows total debt maturing over the medium term but excludes Eskom, SAA and Transnet as their quarterly reports are outstanding. Debt is expected to amount to R67.8 billion, of which 21 per cent (or R14.4 billion) is guaranteed by government. Foreign capital repayments constitute 76 per cent (or R16.4 billion) of total expected maturities.

Figure 8.3 Debt maturity profile of major state-owned companies*



**Airports Company South Africa, Denel, SANRAL and Trans-Caledon Tunnel Authority. Eskom, SAA and Transnet are excluded because their quarterly reports are outstanding*
Source: National Treasury

Table 8.2 shows the borrowing requirement of selected state-owned companies. These companies borrowed R58.4 billion in 2022/23 against a projected R94.5 billion. Of the amount raised during 2022/23, R51.4 billion (or 88 per cent) was attributable to Transnet. About 60 per cent of this was sourced from foreign bond issuances and loans from development finance institutions and multilateral agencies.

Table 8.2 Borrowing requirement of state-owned entities[1]

	2021/22		2022/23		2023/24	2024/25	2025/26	2026/27[2]
R billion	Budget	Outcome	Budget	Outcome	Revised	Medium-term estimates[3]		
Domestic loans (gross)	**25.8**	**34.9**	**60.0**	**29.1**	**17.9**	**22.4**	**27.6**	**11.9**
Short-term	6.0	8.6	–	5.7	3.0	3.0	3.0	3.0
Long-term	19.8	26.3	60.0	23.4	14.9	19.4	24.6	8.9
Foreign loans (gross)	**24.6**	**4.0**	**34.5**	**29.3**	**18.4**	**4.1**	**7.7**	**2.0**
Long-term	24.6	4.0	34.5	29.3	18.4	4.1	7.7	2.0
Total	**50.4**	**38.9**	**94.5**	**58.4**	**36.3**	**26.5**	**35.3**	**13.9**
Percentage of total:								
Domestic loans	*51.2%*	*89.6%*	*63.5%*	*49.9%*	*49.2%*	*84.5%*	*78.3%*	*85.6%*
Foreign loans	*48.8%*	*10.4%*	*36.5%*	*50.1%*	*50.8%*	*15.5%*	*21.7%*	*14.4%*

1. ACSA, SANRAL, TCTA, Transnet, Denel, Eskom (excludes actuals for 2022/23)
2. TCTA did not provide forecasts for 2026/27
3. ACSA, Eskom, Sanral, TCTA (except for 2026/27), Transnet, SAA, Denel
Source: National Treasury

Borrowing in 2023/24 is expected to amount to R36.3 billion, a decline of 61.6 per cent from R94.5 billion budgeted in 2022/23. The Trans-Caledon Tunnel Authority and Eskom account for the expected decline, in particular due to the debt-relief arrangement that significantly limits Eskom's borrowing powers. In aggregate, Eskom and Transnet account for 92.3 per cent (R33.5 billion) of planned borrowing for 2023/24. Over the medium term, state-owned companies are expected to rely on domestic funding.

Denel

Denel remains unable to fulfil its financial obligations. It was allocated R3.4 billion through the Special Appropriation Act (2022), with conditions related to the implementation of its turnaround plan and future sustainability. This was to enable Denel to consolidate operations, dispose of non-core assets and finalise identified strategic equity partnerships. To date, Denel has drawn down R2.2 billion of the package to settle statutory obligations and legacy debt obligations and to fund working capital requirements. The balance of R1.2 billion has been ring-fenced and will be accessible once Denel makes progress on the conditions.

Denel has not submitted annual financial statements for the last three years.

Eskom

In its first year, the Eskom debt-relief arrangement is designed to address financial and operational weaknesses. Financial sustainability is compromised by poor generating performance, declining sales, the utility's increasing primary energy costs, escalating municipal arrear debt and high debt-service costs. In 2022/23, Eskom generated a loss of R24 billion. It continues to rely on government support for liquidity.

Eskom's operational performance has deteriorated significantly over the years. The power system remains unpredictable and unreliable, with power cuts expected to continue until the capacity shortage of 4 000 MW to 6 000 MW is addressed. Eskom has developed a generation recovery plan, which will include recommendations from the VGBE consortium's independent assessment of coal-fired power stations. The National Treasury is engaging with the Ministry of Electricity, the Minister of Public Enterprises and Eskom on how to include these recommendations in the operational conditions for 2024/25.

Of the R78 billion allocated for 2023/24 in the Eskom Debt Relief Act (2023), R44 billion has been provided to Eskom and R16 billion of this amount was converted to equity after Eskom complied with all the conditions for the first quarter. An amendment to the act has been proposed to empower the Minister of Finance to charge interest on the loan and reduce the debt-relief allocations if Eskom does not comply with the conditions. The interest rate is designed to be market-related and reflect the cost of this arrangement without negatively affecting Eskom's cash flow. As Eskom will fail to dispose of the Eskom Finance Company by the agreed timeframe of 31 March 2024, government proposes to reduce the allocations of R78 billion in 2023/24 and R66 billion in 2024/25 by R2 billion in each year.

Government has been working in partnership with the International Finance Corporation to agree on the short-term options for off-balance sheet financing to accelerate private-sector investment in transmission without negatively affecting Eskom's balance sheet and the fiscus. A pilot project will be implemented to test the market appetite for the proposed option, with a request for proposals expected to be issued by end-July 2024.

South African Post Office

In 2022/23, the South African Post Office (SAPO) marginally improved its net loss position by 3 per cent to R2.2 billion, primarily due to decreased costs. Its historical challenge has been a high fixed cost base that needs to be restructured to match operations. SAPO has reported net losses for the past 10 years. It was placed in business rescue on 10 July 2023, is currently insolvent and cannot pay creditors or meet statutory obligations. The Adjustments Appropriation Act (2022) allocated R2.4 billion to SAPO, which will be used to implement a business rescue plan approved by creditors in December 2023. SAPO is required to meet certain preconditions in order to access the funds.

Transnet

Transnet plays a central role in moving goods and commodities to local and international markets. Its performance has been very poor, with operations strained by its deteriorating financial state. Transnet has consistently registered below-target financial performance across its operating divisions due to a combination of economic factors, operational inefficiencies and the effect of shocks such as the KwaZulu-Natal floods on operations and infrastructure. Transnet reported a net loss of R5.7 billion for 2022/23. Its inability to generate sufficient cash from operations has seen total borrowing increase from R122.6 billion at end-March 2018 to R131.8 billion by end-December 2023, increasing the burden of interest cost, refinancing risk and liquidity pressures.

In December 2023, government provided a R47 billion guarantee to the entity to assist with maturing debt and the implementation of a recovery plan. Transnet has been granted approval to use only R14 billion of the guarantee between December 2023 and March 2024 to pay off maturing debt. This is to ensure that Transnet implements the short-term initiatives in the recovery plan and aligns it with the Cabinet-approved roadmap for freight logistics. The key areas identified to improve operational performance in the short term include accelerating capital spending on operational equipment such as port cranes, marine vessels and rail rolling stock. The rail recovery focuses on allocating capital for the rehabilitation of rail infrastructure and returning older locomotives to service.

Government and Transnet have agreed on conditions required to improve sustainability at Transnet and in the sector, encapsulated in Transnet's recovery plan. Transnet is required to divest non-core assets, reduce its current cost structure and explore alternative funding models for infrastructure and maintenance, including project finance, third-party access, concessions and joint ventures.

DEVELOPMENT FINANCE INSTITUTIONS

Development finance institutions play an important role in creating jobs, raising inclusive economic growth and enabling infrastructure expansion by channelling investments in key sectors and supporting small to medium businesses. In 2022/23, the Development Bank of Southern Africa (DBSA), the Industrial Development Corporation (IDC) and the Land Bank continued to recover amid weak economic growth and the lingering effects of the COVID-19 pandemic. Table 8.3 summarises their performance. The net asset value of development finance institutions in 2022/23 grew by 2.1 per cent to R160.9 billion, mostly due to improved operational performance attributed to interest rate hikes and growth in disbursements in line with the entities' mandates, as well as the results of implementing restructuring plans and the transfer of government equity to the Land Bank in 2023/24.

Table 8.3 Financial position of selected development finance institutions

R billion	2018/19	2019/20	2020/21[1]	2021/22[1]	2022/23
IDC					
Total assets	**144.6**	**109.7**	**135.8**	**164.0**	**159.3**
Loan book	25.9	29.1	25.5	24.3	26.9
Equity and other investments	118.7	80.6	110.3	139.7	132.4
Total liabilities	**49.3**	**49.4**	**53.3**	**52.9**	**51.0**
Net asset value	**95.3**	**60.3**	**82.5**	**111.1**	**108.3**
DBSA					
Total assets	**89.5**	**100.5**	**100.0**	**100.0**	**108.5**
Loan book	77.1	86.2	82.7	84.2	93.7
Equity and other investments	12.4	14.3	17.3	15.8	14.8
Total liabilities	**52.3**	**62.9**	**60.9**	**57.1**	**60.9**
Net asset value	**37.2**	**37.6**	**39.1**	**42.9**	**47.6**
Land Bank					
Total assets	**47.7**	**44.1**	**40.0**	**34.4**	**34.6**
Loan book	39.8	39.5	30.7	20.5	14.8
Equity and other investments	7.9	4.6	9.3	13.9	19.9
Total liabilities	**45.8**	**43.8**	**37.6**	**30.8**	**29.6**
Net asset value	**1.9**	**0.3**	**2.4**	**3.6**	**5.0**

1. Numbers may differ from earlier publications due to restatement or error
Source: National Treasury

Development finance institutions raised borrowing mainly to finance lending in line with their mandates. During 2022/23, the three institutions borrowed R13.1 billion against a planned R29.4 billion. Of this amount, 80 per cent was sourced domestically through bond issuances and bank loans. Lower borrowing of R24.5 billion is projected for 2023/24, with domestic sources expected to account for 72 per cent of this total.

Table 8.4 Borrowing requirement for development finance institutions[1]

	2021/22		2022/23		2023/24	2024/25	2025/26	2026/27[2]
R billion	Budget	Outcome	Budget	Outcome	Revised	Medium-term estimates[3]		
Domestic loans (gross)	**12.4**	**9.2**	**17.2**	**10.4**	**17.6**	**18.0**	**9.7**	**–**
Short-term	3.1	1.4	1.6	–	2.5	6.1	4.5	–
Long-term	9.3	7.8	15.6	10.4	15.1	11.9	5.2	–
Foreign loans (gross)	**7.3**	**1.8**	**12.2**	**2.7**	**6.9**	**7.3**	**11.9**	**–**
Long-term	7.3	1.8	12.2	2.7	6.9	7.3	11.9	–
Total	**19.7**	**11.0**	**29.4**	**13.1**	**24.5**	**25.3**	**21.6**	**–**
Percentage of total:								
Domestic loans	*63.1%*	*83.3%*	*58.6%*	*79.7%*	*71.8%*	*71.1%*	*45.0%*	*0.0%*
Foreign loans	*36.9%*	*16.7%*	*41.4%*	*20.3%*	*28.2%*	*28.9%*	*55.0%*	*0.0%*

1. Land Bank, Development Bank of Southern Africa and Industrial Development Corporation
2. IDC and DBSA have been excluded as no forecasts were provided for 2026/27
3. Land Bank was excluded due to non-submission of forecasts
Source: National Treasury

Development Bank of Southern Africa

The DBSA promotes economic growth and regional integration by mobilising financial and other resources for sustainable development projects in South Africa and Africa. It reported a strong financial performance in 2022/23 and increased disbursements from R13.2 billion in 2021/22 to R13.7 billion in 2022/23, in line with targets. Earnings of

R4.2 billion exceeded expectations, lifted by higher net interest income of R6.5 billion relative to R5.8 million a year earlier. This was a result of increased interest rates and higher-than-anticipated loan disbursements for the year. While the DBSA is working on introducing a comprehensive approach to integrated planning for municipalities, it continued to provide under-resourced municipalities with infrastructure planning support. By drawing on the non-lending development subsidy, it unlocked R2.1 billion in infrastructure funding for these municipalities.

Industrial Development Corporation

The IDC continues to support economic growth and recovery. In 2022/23, net profit grew to R10.7 billion from R6.3 billion in 2021/22. Disbursements increased from R7.2 billion in 2021/22 to R17.8 billion in 2022/23. Funds totalling R7.6 billion were disbursed to support the industrialisation of black-owned firms, while R1.6 billion was disbursed to women- and youth-owned enterprises. The IDC's total revenue increased by 37.6 per cent from R18.6 billion in 2021/22 to R25.6 billion in 2022/23 as a result of increases in the prime rate and disbursement levels, as well as improved performance in subsidiaries, supported by increased volumes and stronger commodity prices. Dividend income continued to boost revenues with stable income mainly from listed investments. The IDC's fund to support businesses affected by the 2022 floods in KwaZulu-Natal disbursed R1.3 billion in 2022/23.

The Land Bank

The Land Bank finances the agricultural sector in line with government policy objectives. It has been in default since it failed to meet its debt obligations in April 2020. The Land Bank and its lenders are expected to conclude agreements to end the default during 2024/25. Government used a portion of the R7 billion allocated to the Land Bank over the period 2021/22 to 2023/24 to repay its remaining guaranteed debt during 2023/24.

Net profit in 2022/23 fell to R501 million relative to R1.3 billion generated in 2021/22. The deterioration is primarily due to lower impairment reversals during 2022/23. Profit margins remain under pressure due to the declining loan book, changes in the portfolio mix and the high cost of funding. Non-performing loans deteriorated from 47.8 per cent on 31 March 2022 to 51.9 per cent on 31 March 2023, mainly because of the decrease in gross loans. The Land Bank is implementing a strategy to reduce its non-performing loans.

Renewed partnerships with the Department of Agriculture, Rural Development and Land Reform and other sectoral partners aim to increase assistance to emerging farmers through blended financing. Ending the default is key for these programmes to succeed.

SOCIAL SECURITY FUNDS

Social security funds provide compensation or income support for individuals facing unemployment or those affected by road and workplace accidents. Over the medium term, these funds are projected to accumulate total revenue of R274.9 billion, primarily from contributions and earmarked allocations. Total expenditure is estimated at

R225 billion, primarily designated for benefit payments. As of 2022/23, aggregate assets held by the funds amounted to R260.8 billion, with the Unemployment Insurance Fund constituting 52.1 per cent of this total. Total liabilities for 2022/23 stand at R419.2 billion, with the Road Accident Fund (RAF) accounting for 84.8 per cent of these. Over the medium term, the overall position of the social security funds is expected to deteriorate. Detailed financial information for these funds is available in the *Estimates of National Expenditure*.

Table 8.5 Financial position of social security funds

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
R billion	Outcome			Estimate	Medium-term estimates		
Unemployment Insurance Fund							
Total assets	118.2	125.2	136.0	129.0	132.4	135.8	142.1
Total liabilities	23.3	20.6	21.7	19.9	20.8	21.9	22.9
Net asset value	94.9	104.6	114.2	109.1	111.6	114.0	119.2
Compensation Fund[1]							
Total assets	90.6	104.4	112.2	118.2	139.6	150.6	162.3
Total liabilities	49.3	47.0	41.9	38.9	58.1	60.5	63.3
Net asset value	41.3	57.5	70.3	79.3	81.5	90.1	99.1
Road Accident Fund							
Total assets	15.7	12.3	12.6	17.5	18.3	19.2	20.1
Total liabilities	362.1	357.0	355.5	353.3	370.3	387.7	405.5
Net asset value	-346.5	-344.7	-342.9	-335.9	-352.0	-368.5	-385.5

1. Includes Mines and Works Compensation Fund
Source: National Treasury

Unemployment Insurance Fund

The Unemployment Insurance Fund provides short-term unemployment insurance to workers qualifying under the Unemployment Insurance Act (2001). Over the medium term, the fund will focus on providing social insurance benefits and expanding coverage to vulnerable groups and contributors. Benefit payments will account for an estimated 74.6 per cent of the fund's expenditure over the next three years. Technological advancements are integral to these plans, including improvements in mobile applications to offer services and reduce queues in labour centres. Despite an anticipated average annual deficit of R3.3 billion, net asset value is projected to grow from R109.1 billion in 2023/24 to R119.2 billion in 2026/27 due to the accumulation of surpluses.

Compensation Fund

The Compensation Fund, including the Mines and Works Compensation Fund, is dedicated to compensating employees for disablement or death resulting from occupational injuries or diseases. The fund's medium-term focus involves improving claim adjudication and processing times. Targets include improving the turnaround time from 90 per cent within 25 working days in 2023/24 to 95 per cent within 30 working days by 2026/27. The Compensation Fund anticipates a cash surplus of R2.1 billion in 2026/27, with projected revenue of R14.6 billion and expenditure of R12.5 billion. The net asset value is expected to improve from R79.3 billion in 2023/24 to R99.1 billion in 2026/27 due to accumulated surpluses.

Road Accident Fund

The RAF compensates road users for losses or damages resulting from motor vehicle accidents, funded through the RAF levy. Projections indicate a significant expansion of long-term provisions, constituting a large portion of total liabilities, from R355 billion in 2022/23 to R370.3 billion in 2024/25 and R405.5 billion by 2026/27. The RAF levy is expected to grow from R48.9 billion in 2023/24 to R49.5 billion in 2026/27, at an average annual rate of 0.4 per cent. However, the RAF's financial position is expected to deteriorate during this period. Expenditure is forecast to decrease from R45.4 billion in 2023/24 to R37.4 billion in 2026/27, at an average annual rate of 6.2 per cent.

GOVERNMENT EMPLOYEES PENSION FUND

The Government Employees Pension Fund (GEPF) is a defined benefit pension fund for government employees. Membership increased by 0.5 per cent to 1 267 307 active members and 336 629 pensioners and beneficiaries as of 31 March 2023. The GEPF remains solvent, with statutory actuarial valuations indicating that its assets exceed its best estimate of liabilities. Total benefits paid for all claims amounted to R137.4 billion in 2022/23, compared to R135.5 billion in 2021/22. Contributions income increased marginally from R82 billion in 2021/22 to R83.1 billion in 2022/23. As of 31 March 2023, the fund's net cash flow position was R53.1 billion.

Table 8.6 Selected income and expenditure of GEPF

R billion	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Revenue									
Employer contributions	20.3	21.7	23.4	25.1	26.9	28.6	28.7	28.8	23.3
Employee contributions	36.1	38.6	42.1	45.3	48.2	51.7	52.8	53.2	59.8
Investment income[1]	64.1	73.4	73.7	77.3	84.8	88.6	82.1	108.6	107.0
Expenditure									
Benefits paid	85.8	83.1	88.3	94.9	102.5	110.5	110.6	135.5	137.0

1. Dividends on listed equities, interest on bonds and money market instruments and income from unlisted properties and unlisted investments excludes adjustments for value of financial assets
Source: Government Pensions Administration Agency

CONCLUSION

Government continues to monitor the performance of state-owned companies and their impact on the public finances. Several state-owned companies are in processes of business rescue and obtaining independent financial advice to assist with restructuring for sustainability and continued developmental impact.