

CFS

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



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Consolidated Financial Statements

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national treasury

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REPUBLIC OF SOUTH AFRICA





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**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

**ACCOUNTING OFFICER'S
APPROVAL AND REVIEW**

ACCOUNTING OFFICER'S APPROVAL

For the year ended 31 March 2021

The Consolidated Financial Statements are prepared on the going concern basis. They are based on accounting policies, which have been consistently applied and supported by reasonable and prudent judgements of estimates. The Consolidated Financial Statements have been approved by the Accounting Officer and the Acting Accountant-General on 3 December 2021.



Dondo Mogajane
Director-General
Accounting Officer



Karen Maree
Acting-Accountant-General

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

■ 1. Mandate

Section 8(1) (a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), requires that the National Treasury (NT) prepares and tables the Consolidated Financial Statements (CFS) in accordance with generally recognised accounting practice (grap) for:

- i) National departments;
- ii) Public entities under the ownership control of the national executive;
- iii) Constitutional institutions;
- iv) The South African Reserve Bank;
- v) The Auditor-General; and
- vi) Parliament.

The mandatory CFS for government for the year ended 31 March 2021 as required by section 8(1) (a) of the PFMA as amended is hereby presented.

The Minister of Finance granted exemption in terms of Section 92 of the PFMA to the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated Annual Financial Statements (AFS) for national departments and public entities. Due to the significantly different accounting bases being applied by departments and entities (modified cash and accrual), the Minister has allowed the National Treasury to prepare separate sets of consolidated financial statements for departments and public entities respectively. The CFS are prepared for both the national departments and public entities and submitted for audit ensuring compliance with the principles of GRAP 35 on Consolidated and Separate Financial Statements for the 2021 financial year.

Besides being mandated by legislation, CFS is meant to provide a summary of national government's financial resources and their application for the benefit of the people of the Republic of South Africa. Due to different accounting bases being used by national departments and public entities, separate sets of consolidated information are prepared and published as such in this report to ensure credible and meaningful presentation of financial information. National departments report on a modified cash basis of accounting whereas public entities are on accrual basis. Public entities include constitutional institutions, national public entities listed in the PFMA, the South African Reserve Bank and the Auditor General of South Africa. The public entities that are consolidated also include unlisted public entities that are accountable to parliament.

In a drive to improve public accountability, National Treasury is facilitating the transition from reporting on the modified cash basis of accounting to reporting on the accrual basis of accounting. Under the modified cash basis of accounting, transactions and other events are recognised when cash is received or paid, while disclosure notes, which are recognised on accrual basis, are provided in the annual financial statements (AFS) such as provisions, accruals, property plant and equipment (PPE), public private partnership (PPP), lease commitments, contingent liabilities and so on. Under the accrual basis of accounting, transactions and other events are recognised when earned or incurred and not when cash is received or paid.

Prior to the 2013/14 financial year, the departments' accounting framework was set out in the Departmental Financial Reporting Framework Guide (DFRFG) which was prepared, updated and published by the OAG on annual basis. The reporting framework comprised of accounting policies for the recognition and measurement of information in the primary statements and the disclosure notes. It also contained the format or the template for the presentation of information in the primary statements, as well as the disclosure notes.

With effect from the 2013/14 financial year, and as part of the cash-to-accrual process, the OAG developed and published two separate but related documents referred to as the Modified Cash Standard (MCS) and the Accounting Manual for departments (AMD). These are the accounting framework for departments.

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

The MCS sets out the principles of the modified cash framework in a format ordinarily used by other public sector accounting standard setters such as Accounting Standards Board (ASB). The Accounting Manual on the other hand, provides detailed guidance on the principles stated in the MCS.

Modified Cash Standard (MCS) for departments sets out the principles for the recognition, recording, measurement, presentation and disclosure of information required in terms of the prescribed formats. Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance. To ensure a complete view of the financial position and performance of a department for the purposes of fair presentation, and without changing the basis of accounting, this Standard also prescribes disclosure requirements for additional information relating to elements that do not qualify for recognition.

In developing the Standard the OAG considers and makes use of pronouncements issued by the Accounting Standards Board (ASB); the International Public Sector Accounting Standards Board (IPSASB); the International Accounting Standards Board (IASB); and other organisations that develop financial reporting, accounting and auditing requirements for the public sector. In addition, the OAG also considered the best practices, both locally and internationally; the capacity of departments to comply with the reporting requirements; and the systems used by departments in preparing and collating the information required to comply with the reporting requirements.

Government is also in the process of formalising the accounting reporting framework in terms of section 89 of the PFMA and section 216(1)(a) of the Constitution. Currently there are 38 standards that are effective as approved by the Minister of Finance.. The effective Standards of GRAP are 1-14, 16-21, 23-27, 31-32, 34-38, 100 and 103-110. The Standards of GRAP approved, but for which the Minister of Finance has not yet determined an effective date are GRAP 25 and GRAP 104. In 2009/10 financial year, public entities started to apply fully the standards of GRAP for the first time. The standards applied by the entities are reflected in Directive 5-GRAP Reporting Framework as issued by the ASB.

Entities are required to comply with GRAP 24 Presentation of Budget Information in Financial Statements, which requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. As there is no publicly available budget that is reconcilable with the group of entities for the purposes of the National Public Entity Consolidation, it is deemed inappropriate to present a comparison between actual and budget information at this level of consolidation. GRAP 24 is therefore not relevant to this set of CFS.

The South African national government is structured into five main segments commonly referred to as clusters, mainly to address government priorities and policies.

These clusters are:

1. Central Government and Administration
2. Financial and Administration Services
3. Social Services
4. Justice and Protection Services
5. Economic Services and Infrastructure Development.

This Accounting Officer's Review includes an Executive Summary and Review of Operating Results. The review of operating results reflects monetary values presented in the CFS in accordance with paragraph 18.2 of the Treasury Regulations. It is also a descriptive report clarifying the amounts presented. The CFS therefore provides information not only on the financial performance but also on the government's ability to meet current and future obligations.

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

■ 2. Consolidation Process

2.1 Goals for consolidation and this report

The CFS should provide information on financial performance as well as national government's ability to meet current and future obligations by:

- presenting the consolidated monetary values of national government (assets, liabilities, revenue and expenditure)
- improving the users' understanding of public sector financial management to enhance the achievement of the government's social objectives and priorities
- creating uniformity in the presentation and analysis of public sector financial information.

2.2 Scope of consolidation

SCOPE

GRAP 35 requires that the entity that prepares consolidated financial statements establishes whether it controls an entity before consolidating it. It uses criteria such as: is the controlling entity exposed or has rights to variable benefits from its involvement with the other entity and does it have the ability to affect the nature and amount of those benefits through its power over the other entity. These control indicators must be presently exercisable. For this set of consolidated financial statements, there is no specific identifiable controlling entity as envisaged in GRAP 35.

The motivation behind preparing these financial statements is not to show what is directly controlled, but rather to present a combined view of entities considered to be a part of government as envisaged by the PFMA. In accordance with the definition of a public entity in the PFMA, the Accountant-General has determined that accountability to Parliament (or the legislature) for the use of public funds must be the driver and considers this to be the primary criterion for including entities in the consolidation, with ownership control by government being assumed to exist in such cases. Consequently, if an entity has a legal or constructive obligation to account to Parliament on its finances, it is deemed to also be under the control of the National (Provincial) Executive, and shall be included in the national (provincial) government consolidation. This approach is expected to prudently ensure a more complete consolidation.

ACCOUNTING POLICIES

Accounting policies of entities are adjusted to be on a uniform basis where the effect thereof is deemed to be material to the consolidated financial statements.

Treatment of Government Business Enterprise (GBE's)

The National Treasury currently adheres to guidance provided in IPSAS 6 which assists with determining whether the National Treasury is able to exert control over the GBE's. Based on the criteria provided in this standard for control, the National Treasury believes that GBE's are controlled by government and are therefore consolidated in full.

Elimination

All material balances and transactions between entities included in the CFS are eliminated. For departments, the AFS template makes provision in the Annexures for departments to disclose these inter-entity transactions and balances. For public entities, the Office of the Accountant General (OAG) developed an inter-entity elimination template that is completed by each entity, authorised and then submitted to the National Treasury.

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

Process

The CFS has been prepared in accordance with accounting policies, which have been applied consistently in all material respects, unless otherwise indicated and meaningful. Additional information is disclosed to enhance the usefulness of the CFS and to comply with the statutory requirements of the PFMA where appropriate.

The responsibility for the integrity and objectivity of the accompanying CFS for the year ended 31 March 2021, and all information contained in this report rests with the OAG, a division within the National Treasury as well as the Director-General of the National Treasury.

The OAG has developed and maintained policies, procedures and internal controls, deemed appropriate, in order to provide assurance that the financial information is a reliable reflection of the consolidated national departments' and consolidated entities' financial position as at 31 March 2021.

Parliament reports on the accrual basis of accounting using the GRAP framework. Parliament's GRAP based financial statements were converted to modified cash basis of accounting and consolidated with national departments.

The public entity list per schedule 1, 2 and 3 of the PFMA was used as a basis from which public entities that were consolidated, however some public entities and trading entities, which are not listed but fall within the scope based on accountability to parliament, were consolidated.

The OAG is tasked with, amongst others, the responsibility to develop standard reporting formats (including AFS templates), Modified Cash Standards and Accounting Manual for Departments, used by departments in preparing their annual financial statements. The AFS template is updated annually to meet the requirements of the policies set by the OAG. The AFS templates are then completed by all national departments and Parliament and forwarded to NT, where these are consolidated using a consolidation model. The latter exercise is performed twice annually based on unaudited information by 30 June, and finally based on audited information by 31 August. The process for public entity consolidation is similar. Both sets of statements are forwarded to the AGSA firstly to comply with the legislation (PFMA) and secondly for audit.

To improve the consolidation process, AFS templates are published earlier in the year and training is provided to departments on the AFS template, Modified Cash Standards and Accounting Manual Departments for the preparation of AFS. Training is also provided to the public entities on the latest GRAP standards as approved by the Minister and on completing the consolidation AFS template.

The NT is grateful for the efforts of the national departments, public entities and the OAG in the preparation of the CFS for 2020/21.

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

For the year ended 31 March 2021

The 2020/21 financial year was one of the most difficult of the democratic era and certainly a major blow to the domestic and global economy. The emergence of the COVID-19 pandemic resulted in one of the worst economic recessions in a century. The COVID-19 shock is estimated to have led to a 6.4 per cent contraction in the South African GDP growth in 2020/21. The economy has started to recover in response to improved global conditions and the easing of lockdown restrictions – and in the months ahead, a mass vaccine rollout will support a full reopening of the economy. Despite the combined effect of the sharp contraction in 2020 and lingering structural constraints to growth, South Africa's real GDP is expected to return to pre-pandemic levels late in 2022. GDP growth of 3.3 per cent is projected for 2021, moderating to an average of 1.9 per cent in 2022 and 2023. The effects of COVID-19 on the South African economic growth translated into a record unemployment rate of 34.4 per cent in the second quarter of 2021. The global economy is expected to recover moderately from its recent slowdown, supported by additional policy stimulus and the expected roll-out of the COVID 19 vaccines. Although improved growth in developing countries is expected to support the recovery over the long term, the aggregate growth forecast for South Africa's main trading partners has been revised down over the next three years.

To support economic recovery by reducing financial pressure on households and business, Government decided not to introduce measures to increase tax revenue in the 2021 Budget. The previously announced tax increases amounting to R40 billion were withdrawn. As a result, tax revenue estimates for 2020/21 have been revised down by R213.2 billion, which is below the 2020 Budget estimate, but R99.6 billion above the 2020 MTBPS estimate. Lower revenue collection has a knock-on effect, reducing projections over the three-year spending period ahead.

Compensation of employees continues to account for the largest portion of total spending, at 31.2 per cent over the medium term. Government remains committed to achieving fiscal sustainability, measured as stabilisation of the debt-to-GDP ratio, by moderating spending as a share of GDP and reducing the wage bill as a share of overall spending. The 2020 Budget proposed compensation reductions totalling R160.2 billion for 2020/21 to 2022/23, relative to the pre-Budget baseline. The 2020 MTBPS proposed further downward adjustments to compensation, amounting to R143.2 billion for 2021/22 to 2023/24. These reductions can be achieved through a combination of modifications to cost-of-living adjustments, pay progression and other benefits.

The main budget primary deficit narrows from 5.7 per cent of GDP in 2020/21 to 0.2 per cent of GDP in 2024/25, and gross government debt stabilises at 78.1 per cent of GDP in 2025/26. The consolidated deficit is projected to narrow from 7.8 per cent of GDP in 2021/22 to 4.9 per cent of GDP in 2024/25. Public entities, social security funds and provinces are projected to have a combined cash surplus over the medium term, partially offsetting the main budget deficit.

Government's gross borrowing requirement consists of the budget deficit and maturing loans. As a result of the COVID-19 pandemic the gross borrowing increased from R415.7 billion in 2019/20 to R618.3 billion in 2020/21. Domestic bonds issuances in 2020/21 amounted to R523.4 billion, R185 billion higher than the Budget estimate.

Given the continuing pandemic, the fiscal framework provides short-term support to low-income households and funding for the health policy response. Changes since the 2020 MTBPS include three-month extensions of the special COVID-19 social relief of distress grant and the Unemployment Insurance Fund's Temporary Employer/Employee Relief Scheme, and funding for the public employment initiative and for provincial hospitals in 2021/22. Up to R10.3 billion is provided for vaccine rollout for the current year and over the next two years. Given uncertainty around vaccination campaign costs, the contingency reserve was increased from R5 billion to R12 billion in 2021/22 in the 2021 Budget. These interventions do not add to longer-term expenditure. In the Second Special Appropriation Bill of 2021, government announced a fiscal relief package amounting to R37.9 billion in the current fiscal year. This included extending the special COVID-19 social relief of distress grant to end in March 2022 as well as the employment tax incentive which was expanded from 1 August to 30 November at a cost of R5 billion in lost tax revenue.

In 2020/21, the largest areas of spending by function are learning and culture (R384.4 billion), social development (R365.7 billion) and health (R248.2 billion). Over the medium term, the fastest-growing areas of expenditure are economic development and community development. Slow growth in learning and culture, health, and peace and security reflect the effect of proposed wage bill reductions on these labour-intensive functions. The social

wage accounts for nearly 60 per cent of consolidated non-interest spending over the MTEF period. Healthcare, education and social protection make up the bulk of this amount.

The detailed performance of national government with regards to revenue, expenditure and borrowing is discussed in the 2020/21 review of operation results.

The logo consists of the letters 'CFS' in a bold, white, sans-serif font, enclosed within a thin yellow square border.

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**CONSOLIDATED
FINANCIAL
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for the year ended 31 March 2021

**REVIEW OF
OPERATING RESULTS**

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

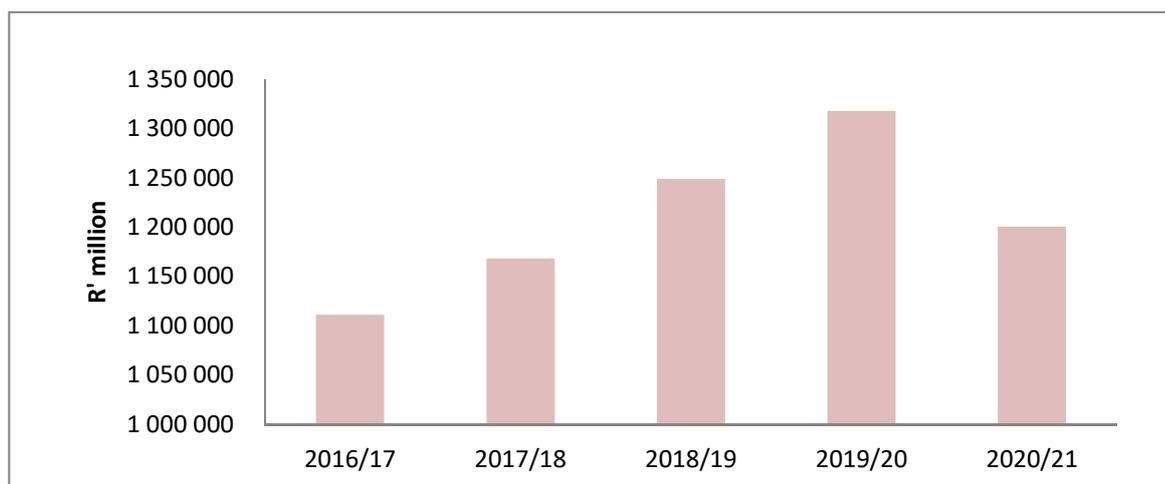
Total revenue

Table 1: Total revenue

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Taxes, Levies & Duties	1 111 136	1 168 400	1 248 857	1 317 827	1 200 564
Departmental revenue	25 973	36 828	24 063	26 811	36 131
Local & foreign aid assist.	1 930	1 508	1 719	4 448	2 209
Other	2 887	5 320	7 884	1 957	4 491
Total Revenue	1 141 926	1 212 055	1 282 523	1 351 043	1 243 395
Year on year increase in revenue	6%	6%	6%	5%	-8%

Total revenue decreased by -8% in 2020/21 against an increase of 5% in the preceding year. This is due to the under collection of tax revenue that occurred as a result of the negative impact of the Covid19 pandemic on the economy and ensuing restrictions of trade during the lockdown periods. The bulk of the income, in the form of taxes, levies and duties, is collected by the South African Revenue Service (SARS). Other sources of income include departmental revenue and local & foreign aid assistance. SARS collected a total of R1.322 trillion in taxes but only paid R1.200 trillion to the National Revenue Fund (NRF). The difference between the total of taxes collected and the net revenue surrendered to the NRF is made up of transfers of ring-fenced taxes.

Graph 1: Total taxes, levies and duties



The following is a reconciliation of SARS Revenue to the amount paid to the National Revenue Fund (NRF):

Table 2: Reconciliation of SARS Revenue to the National Revenue Fund

Year Ended 31 March <i>R' million</i>	Actual 2019/20	Actual 2020/21
SARS Revenue	1 430 427	1 322 860
Less: South African Customs Union Agreement	50 280	63 395
Less: Payment to UIF	18 205	16 715
Less: Amount payable by SARS to UIF	1 896	1 681
Less: Payment to RAF	42 633	40 560
Less: Amount payable by SARS to RAF	(414)	(54)
Net Revenue as reflected by NT	1 317 828	1 200 564

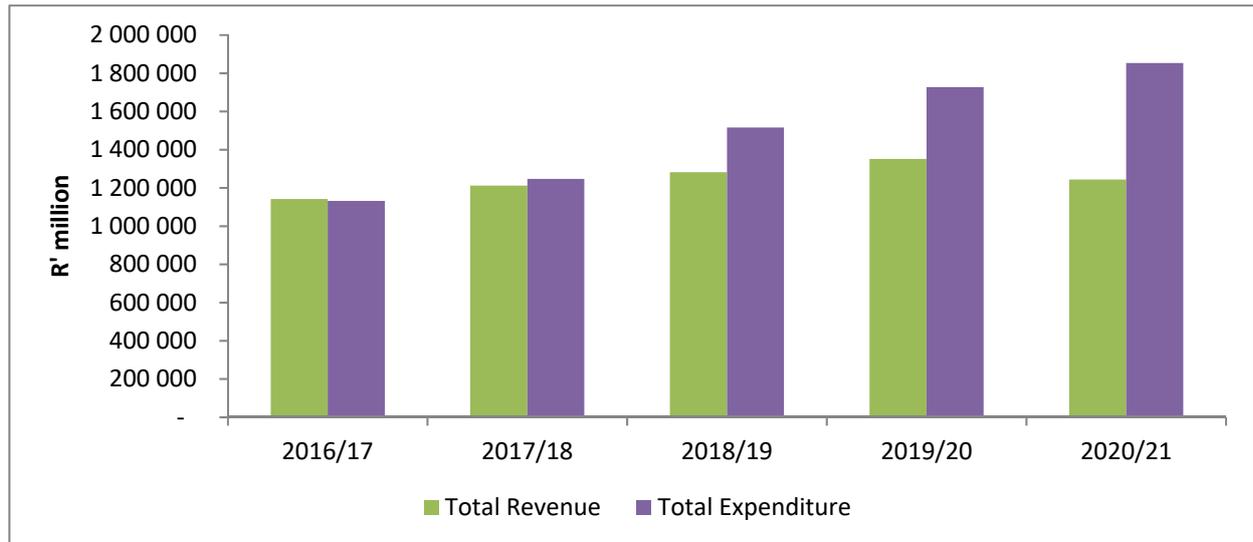
As noted, taxes levies and duties makeup the largest portion of total revenue at 97% and has remained at this percentage since 2016/17. Revenue other than taxes, levies and duties showed an increase of 22.5% in the current year against an increase of 0.2% in the prior year. For a detailed analysis of Departmental Revenue and Aid Assistance constituents, refer to Notes 3 and 6 of the Notes to the Consolidated Financial Statements.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Taxes, Levies & Duties	1 111 136	1 168 400	1 248 857	1 317 827	1 200 564
Other	30 790	43 656	33 161	33 215	42 831
Total Revenue	1 141 926	1 212 055	1 282 018	1 351 043	1 243 395
Total Expenditure	1 131 758	1 247 051	1 516 072	1 727 659	1 853 663

Graph 2: Revenue vs. Expenditure



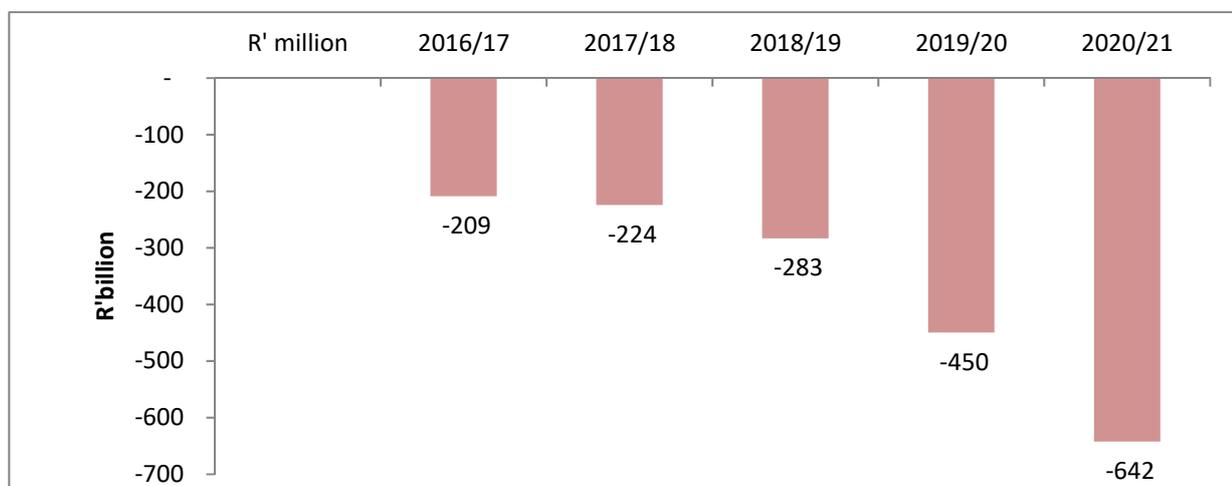
Illustrated above is revenue versus expenditure for National Government. In 2020/21, total revenue has decreased by -8% whilst total expenditure has shown a slight increase of 7%.

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Surplus/ (Deficit) for the year	(198 525)	(224 444)	(283 351)	(449 563)	(642 454)
Movement	11%	13%	26%	59%	43%

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 3: Deficit net of revaluation gains/losses



As depicted in the graph above, the budget has been in deficit for the past five years, resulting from the sharp decline in nominal GDP and associated tax revenues, higher borrowings and assistance to financially distressed state owned companies over the period. The global economic effects of the Covid-19 pandemic in 2020 have also been far reaching and in South Africa has led to a large increase in unemployment and income losses. The COVID-19 pandemic disrupted the plans of state-owned companies and public sector institutions, curtailing revenue growth and growing operational costs, being the key driver in the sharp decline in 2020/21 tax revenue. Government adopted a balanced and prudent fiscal framework strategy that is designed to promote economic recovery and stabilize public finances to a sustainable position. Government have avoided adding to the tax burden and withdrew previously announced tax increases of R40 billion.

The COVID-19 shock is estimated to have led to a 7.2 per cent contraction in GDP growth in 2020 with GDP only expected to recover to pre-pandemic levels in late 2023. The 2021 MTBPS provides continued support to the economy and public health in the short term, funding a massive and free Covid-19 vaccination programme, without adding to long-term spending pressures. While exercising continued restraint in spending, public money is allocated to learning and culture, health, and social development, improving the composition of spending by shifting expenditure growth to investment rather than consumption. These proposed measures are expected to narrow the consolidated budget deficit from 7.5 per cent of GDP in 2020/21 to 0.8 per cent of GDP in 2023/24.

Total expenditure

Table 3: Total Expenditure

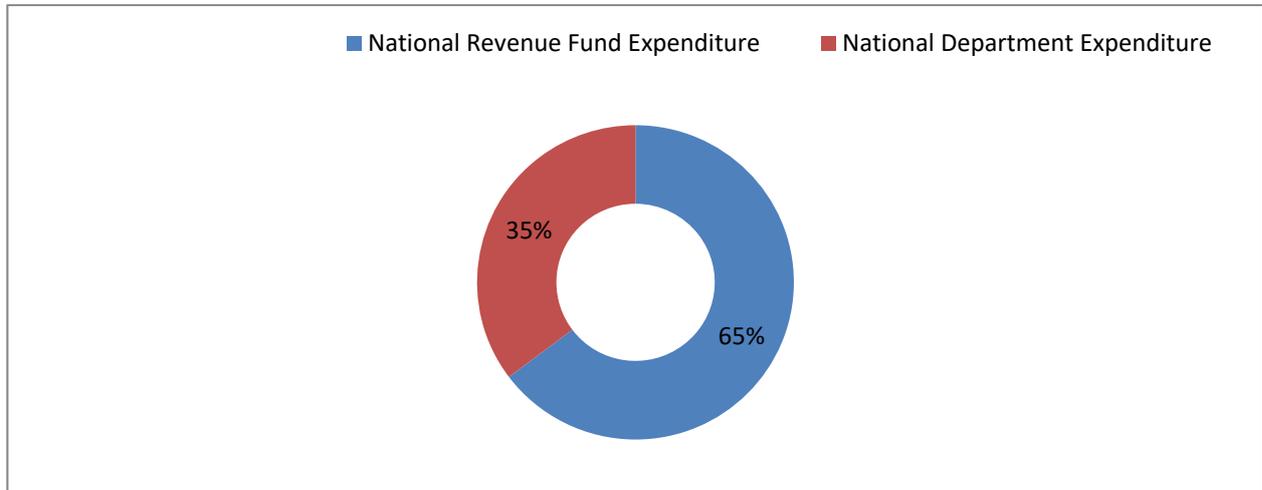
Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
National Revenue Fund Expenditure	579 685	1 427 452	1 524 987	1 722 764	1 871 291
National Department Expenditure	736 715	792 517	844 879	932 166	1 019 972
Total Expenditure	1 316 400	2 219 969	2 369 866	2 654 930	2 891 263
Movement in expenditure	10%	69%	7%	12%	9%

Total expenditure increased by 9% (2019/20: 12%). Total expenditure is made up of National Departments' expenditure plus NRF expenditure. National Departments' expenditure remains at an average of 35% of total expenditure. Included in National Departments' expenditure are transfers to provinces and municipalities of R231 billion (2019/20: R213 billion). These are further analysed under the section on Transfers and Subsidies.

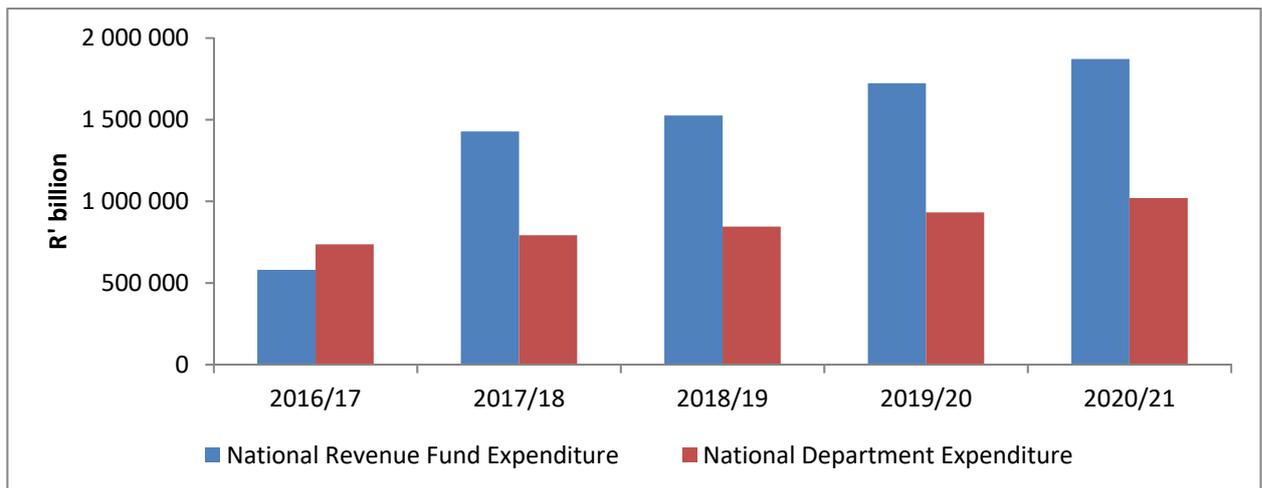
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 4: NRF expenditure vs. National Departments expenditure



Graph 5: Total expenditure



National revenue fund expenditure

Equitable share transfers to provinces

The National Revenue Fund's (NRF) expenditure includes debt-service costs and equitable share transfers to provinces. Equitable share transfers to provinces represents amounts distributed to provincial departments to perform their assigned functions.

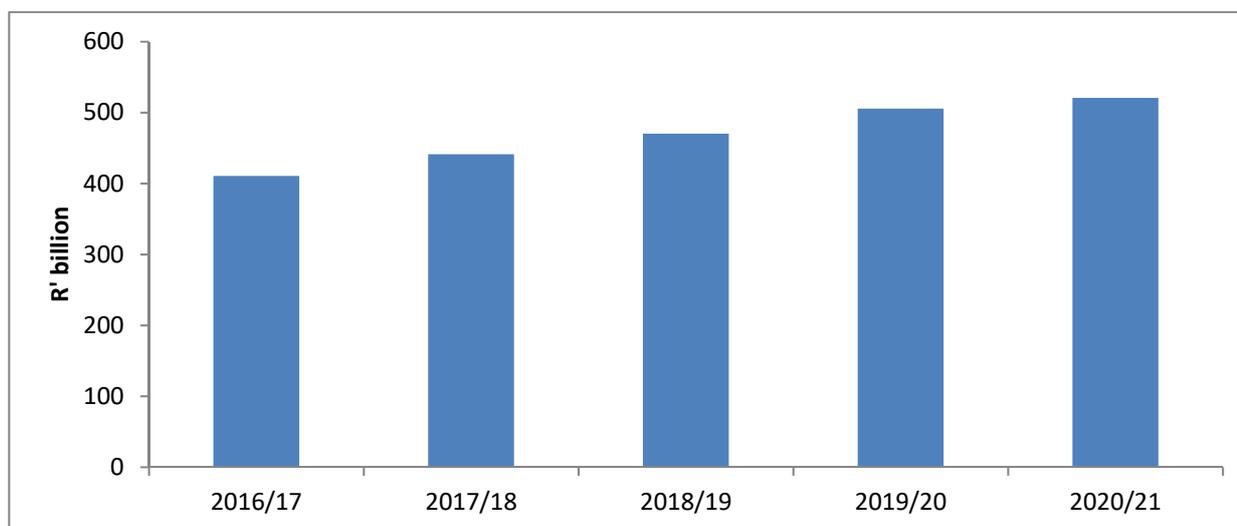
Table 4: Equitable share transfers to provinces

Year ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Equitable Shares – Provinces	410 698	441 331	470 287	505 554	520 717
Movement in Prov Equitable shares	8%	7%	7%	7%	3%

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 6: Equitable transfers – provinces



There was a 3% increase in equitable share transferred to provinces in the current financial year. Last year, government announced that it would not implement the final increase of the three-year public-service wage agreement. Because most government employees are employed in provinces, the impact of this decision is most noticeable in provincial transfers.

Transfers to provinces amounted to R520 billion in the current financial year (2019/20: R506 billion), which is 28% of NRF expenditure (2019/20: 29%).

Debt-service costs

Government incurs debt to finance its gross borrowing requirement consisting of the budget deficit and maturing debt. The stock of debt is also influenced by market variables such as interest, inflation and exchange rates. On this debt, government pays interest and other cost to raise and manage this debt.

Tax revenues for 2020/21 were R213.2 billion lower than projected in the 2020 Budget. During the year under review, government also increased its borrowing in order to finance measures to contain and mitigate the effects of the pandemic. As a result of the lower tax revenue and increased borrowing, government debt is projected to stabilise only after the medium term while rising debt-service costs consumed R232.6 billion, or 13.4 per cent of main budget revenue in 2020/21.

Table 5: Debt-service costs

Year ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Domestic	135 652	150 825	167 438	187 276	213 517
Foreign	10 844	11 819	14 411	17 493	19 078
Total debt-service costs	146 496	162 644	181 849	204 769	232 596
Increase in costs	15%	11%	12%	13%	14%

Borrowing in the domestic capital markets remains the major source of financing. Borrowing in the international capital markets is used to finance government's foreign currency commitments and to maintain benchmarks in major currencies. In 2020/2021, given unfavourable conditions, government did not issue any bonds in the global capital markets. Instead, government raised US\$5.6 billion from the International Monetary Fund, the New Development Bank, and the African Development bank. Of this amount, US\$4.6 billion was converted into local currency to partially finance Rand-denominated financial commitments.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 7: Debt-service costs as a % of expenditure and revenue

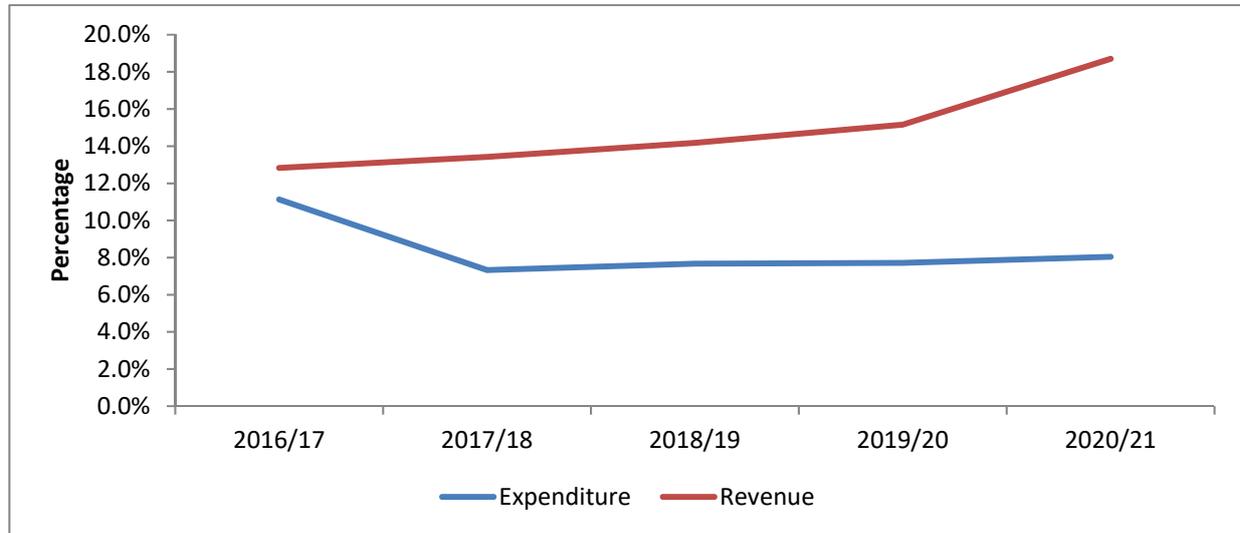


Table 6: Actual Expenditure vs. Adjusted Appropriation 2020/21

Name of Department	Appropriation	Actual Expenditure excluding unauthorised expenditure funded by NRF	Variance	%
	R'000	R'000	R'000	
Presidency	572 920	517 827	55 093	10%
Parliament	2 015 845	2 015 843	2	0%
Cooperative Governance and Traditional Affairs	106 942 787	103 305 842	3 636 945	3%
Government Communication and Information	725 140	712 110	13 030	2%
Home Affairs	8 787 408	8 470 259	317 149	4%
International Relations and Cooperation	6 314 968	6 245 944	69 024	1%
School of Government	227 407	221 603	5 804	3%
National Treasury	34 525 673	34 081 507	444 166	1%
Planning Monitoring and Evaluation	399 974	387 139	12 835	3%
Public Enterprise	77 606 906	77 503 400	103 506	0%
Public Service and Administration	468 895	430 586	38 309	8%
Public Service Commission	273 780	261 156	12 624	5%
Public Works	7 724 379	7 531 034	193 345	3%
Statistics S A	3 131 573	2 691 314	440 259	14%
Traditional Affairs	161 685	137 523	24 162	15%
Basic Education	23 394 972	22 900 625	494 347	2%
Higher Education and Training	94 094 944	93 697 479	397 465	0%
Health	58 052 596	57 504 323	548 273	1%
Social Development	230 807 298	228 922 702	1 884 596	1%
Women	620 976	602 401	18 575	3%
Civilian Secretariat for Police	137 168	131 544	5 624	4%
Correctional Services	25 596 837	25 027 099	569 738	2%
Defence	54 201 287	54 086 190	115 097	0%
Independent Police Investigative Directorate	340 976	340 939	37	0%
Justice and Constitutional Development	18 666 284	17 885 482	780 802	4%
Military Veterans	480 342	429 263	51 079	11%
Office of the Chief Justice	1 188 121	1 071 872	116 249	10%
Police	99 560 894	95 483 143	4 077 751	4%
Agriculture, Land Reform and Rural Development	15 247 613	14 093 031	1 154 582	8%
Communications and Digital Technologies	3 280 928	3 164 625	116 303	4%

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

	Appropriation	Actual Expenditure excluding unauthorised expenditure funded by NRF	Variance	%
Name of Department	R'000	R'000	R'000	
Employment and Labour	3 299 305	3 103 090	196 215	6%
Environmental ,Forestry and Fisheries	9 937 801	8 293 509	1 644 292	17%
Human Settlements	29 079 019	28 775 537	303 482	1%
Minerals Resources and Energy	7 567 050	7 184 949	382 101	5%
Science and Innovation	7 278 287	7 165 265	113 022	2%
Small Business Development	2 277 803	2 249 195	28 608	1%
Sports, Arts and Culture	5 310 738	5 175 516	135 222	3%
Tourism	1 426 860	1 392 249	34 611	2%
Trade, Industry and Competition	9 273 272	9 039 714	233 558	3%
Transport	57 354 735	57 073 815	280 920	0%
Water and Sanitation	16 994 291	14 502 613	2 491 678	15%
Total	1 024 776 817	1 003 291 430	21 485 387	2%

The above table shows amounts appropriated to departments in the 2020/21 financial year against actual expenditure incurred by departments excluding unauthorised expenditure funded by NRF.

National department's expenditure

Table 7: National department's expenditure

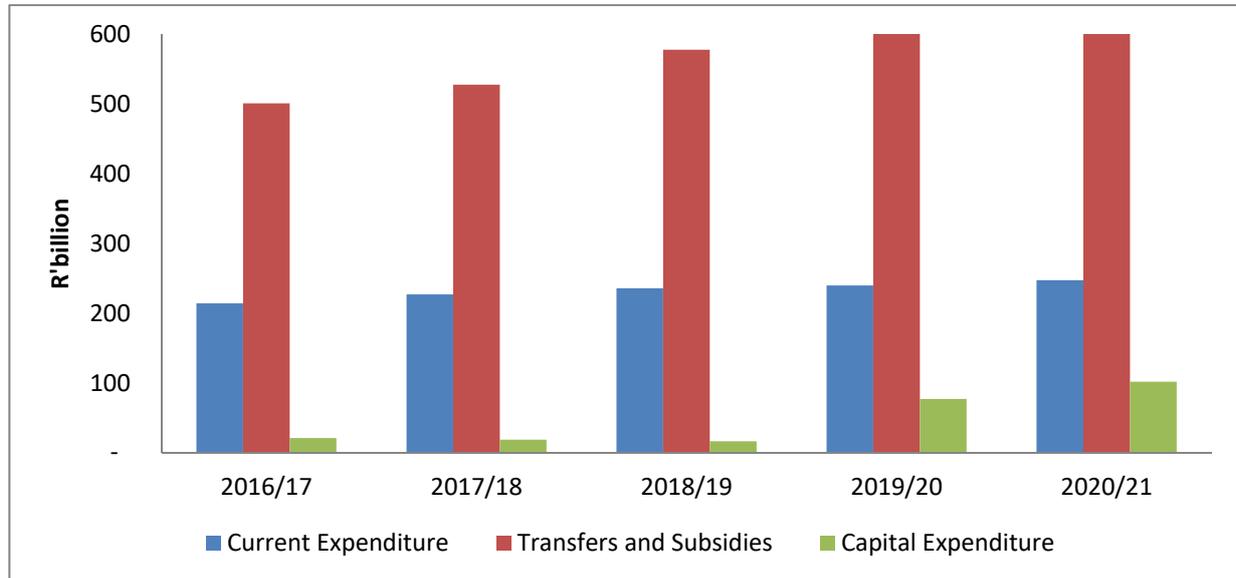
Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Current Expenditure	214 371	227 132	235 792	239 948	247 631
Transfers and Subsidies	501 456	528 171	578 398	651 928	670 502
Capital Expenditure	20 888	18 701	16 262	77 047	101 792
Total	736 715	774 004	830 451	968 923	1 019 926
Movement in expenditure	2%	5%	7%	17%	5%

National departments' expenditure has increased to R1,019 billion from R968 million in the prior year. This represents a 5% increase, as compared to the 17% increase in the prior year, with the highest increase in capital expenditure which increased by 24.3% in the 2020/21 financial year. The bulk of National Department's expenditure is attributable to transfers and subsidies. Transfers and subsidies are further analysed in Note 13 of the Notes to The Consolidated Financial Statements.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 8: National department's expenditure



The South African national government is structured into five main segments, commonly referred to as clusters, aimed at addressing government priorities and policies. The National expenditure per cluster is presented in the table and graph below:

Table 8: National department cluster expenditure

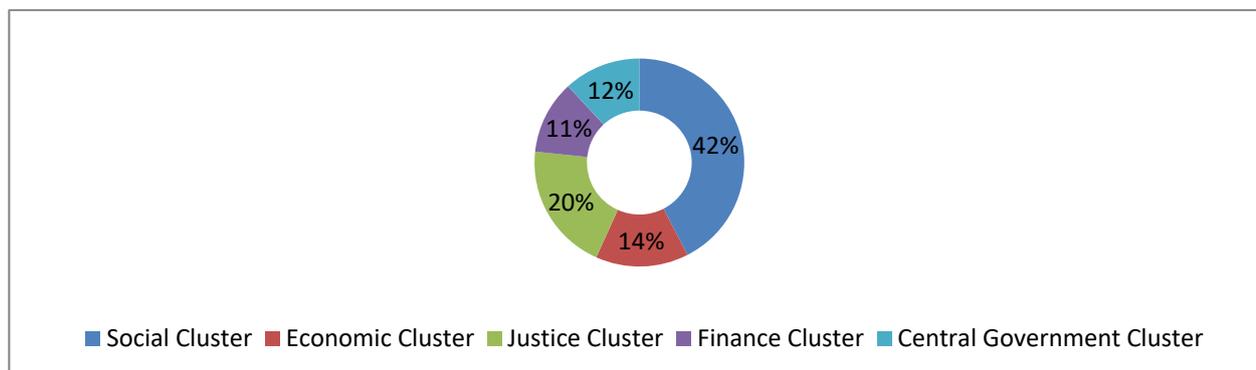
Year Ended 31 March R' billion	Actual 2019/20	Actual 2020/21	Movement
Social Cluster	399	432	8,4%
Economic Cluster	131	146	11,7%
Justice Cluster	205	203	-1,0%
Finance Cluster	91	116	27,8%
Central Government Cluster	105	121	14,8%
Total	932	1 019	

The Social cluster remains the largest spender of all clusters with expenditure of R432 billion (2019/20: R399 billion) accounting for 42% of national departments' expenditure in 2020/21. The smallest spender is the Finance cluster with expenditure of R116 billion (2019/20: R91 billion), accounting for 11% of national departments' expenditure in 2020/21. There was an 8.4% increase in Social cluster expenses due to an increase in social grants spending and a 27% increase in the Finance cluster expenditure mainly due to the purchase of equity by the Department of Public Enterprises.

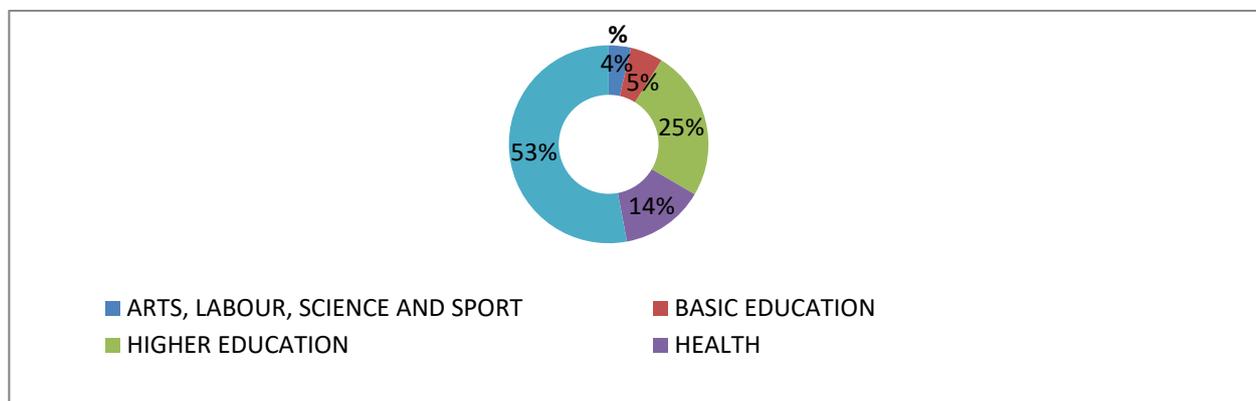
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 9: Expenditure per cluster 2020/21



Graph 10: Expenditure per Social cluster 2020/21



Within the Social Cluster, the Department of Social development was the biggest spender. This department incurred total expenditure of R229 billion amounting to 53% of social cluster expenditure.

Of the R229 billion, 99.6% was transfers and subsidies, the major recipients of which were households. Social assistance remains government's most direct means of combating poverty. In this regard, social grants account for an estimated 85.5% (R202.2 billion per year on average) of the department's total budget over the MTEF period.

Over the medium term, social development spending is the second-largest spending priority, accounting for 18.9 per cent of consolidated government expenditure. Over the MTEF period, the budgets for provincial departments of social development include R2.3 billion in allocations earmarked for specific purposes. This includes R1.2 billion to continue to employ social workers and R603.3 million for programmes to mitigate the social effects of HIV, gender-based violence and substance abuse.

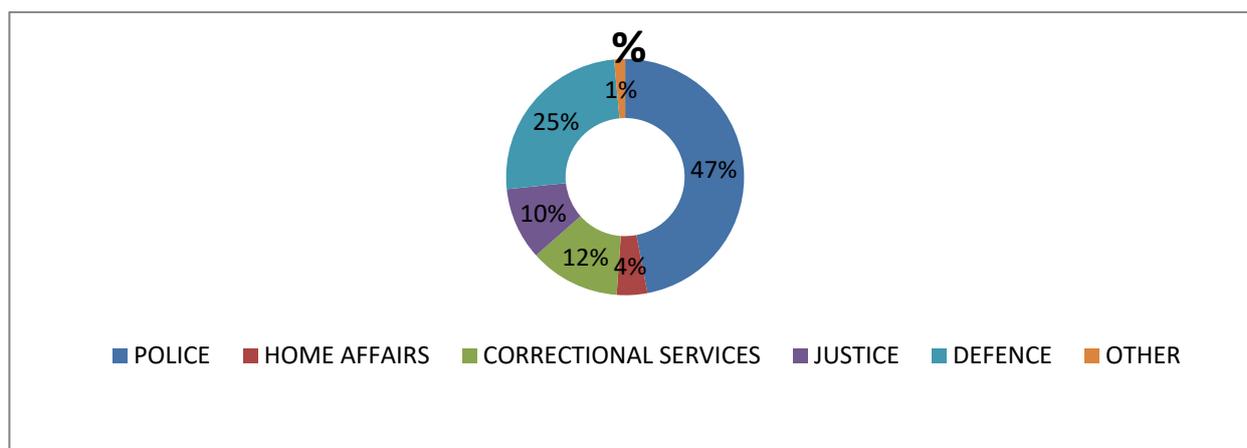
The COVID-19 pandemic has had a massive impact on the South African health system. As at 16 February 2021, the country had 1.5 million confirmed cases and over 137 000 excess deaths as reported by the South African Medical Research Council. During 2020/21, government responded by allocating approximately R20 billion to the health sector, enabling it to expand prevention, screening, testing and hospital capacity. Expenditure by Department of Health over the medium term will make up 14.2 per cent of total government spending, declining from R247 billion in 2020/21 to R245 billion in 2023/24. Reductions to the health sector, mostly focused on compensation spending, are estimated at about R50.3 billion over the 2021 MTEF period. Health departments are required to increase efficiency, for example, by generating savings through centralised procurement of certain goods, reducing variations in unit costs in HIV programmes and improving management of overtime costs.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Over the medium term, the learning and culture function accounts for R1.23 trillion or 23.5 per cent of consolidated expenditure. The department of Higher Education and Training will continue to focus on: transforming universities and increasing student financial aid, improving the performance of TVET colleges, developing artisans, and improving the community education and training sector. Over the MTEF period there is slower growth in subsidies and grants for universities, technical and vocational education and training colleges, and the National Student Financial Aid Scheme will require a review of student enrolment growth and bursary allowances. Institutions will need to contain costs, including staff numbers and salaries, and develop ways of using information and communication technology more effectively to enhance blended learning.

Graph 11: Expenditure per Justice cluster 2020/21



The second largest spending cluster is the Justice and Protection Services cluster. A substantial amount of this cluster's spending goes towards the compensation of employees amounting to R143 billion (70%). The cluster has the largest staff complement of all clusters, with the cluster's employees constituting 83% of National departments' employees.

The largest spender within the Justice and Protection services cluster is the Department of Police at 47% of the total cluster expenses. Unsurprisingly, due to the labour-intensive nature of policing, a large component of its spending is compensation of employees at 79% of total cost of that department.

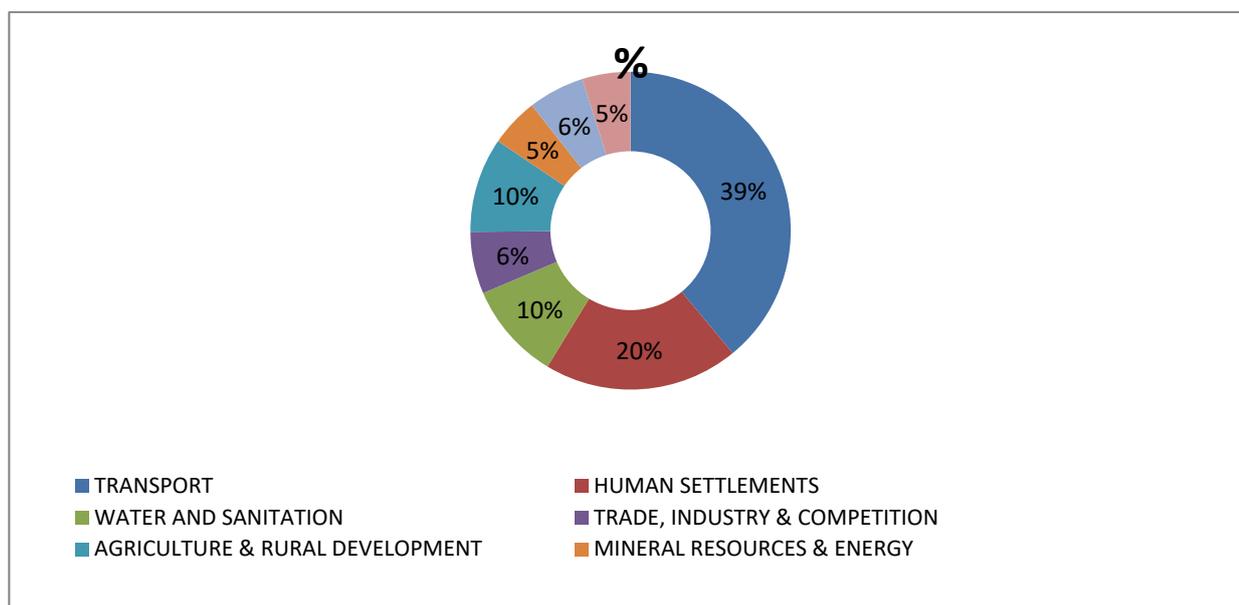
The second largest spender in the Justice and Protection services cluster is the Department of Defence at 25%. The spending focus of the Department was on the Landward Defence programme, whose focus is on providing prepared and supported landward defence capabilities for the defence and protection of South Africa. The compensation of employees increased by 2.9% from the previous year.

The Department of Correctional Services is the third largest spender in this cluster at 12%, with compensation of employees being the largest cost at 69% of its total expenditure.

REVIEW OF OPERATING RESULTS

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Graph 12: Expenditure per Economic cluster 2020/21



The third largest spending cluster is the Economic Cluster. The Department of Transport remains the highest spending department in the cluster at 39% of the total cluster expenditure. The highest expenditure item for this department being transfers and subsidies at R53 billion (2019/20: R62 billion) accounting for 94% of the department’s budget. Of the R53 billion spent, R10 billion were allocated to its public entities, these entities accounted for 20% of the total transfers and subsidies budget for the department.

The following are some expenditure analyses of the main components that will drive public sector infrastructure spending over the medium term:

The Department of transport’s total expenditure is expected to increase at an average annual rate of 8.1 per cent, from R57.4 billion in 2020/21 to R72.5 billion in 2023/24. The majority of the department’s expenditure is directed towards rail infrastructure, maintenance, operations and inventories, with the balance reserved for the South African National Roads Agency for upgrading and maintenance of the national road network; and provinces and municipalities for the construction, operations and maintenance of transport infrastructure and services. Over the MTEF period, transfers account for an estimated R205.2 billion of the department’s budget.

The Department of Human Settlements’ main focus will be on facilitating the development of integrated human settlements, upgrading informal settlements, providing affordable rental housing, and providing affordable housing finance. Despite Cabinet-approved budget reductions of R486.8 million over the MTEF period, mainly on compensation of employees and transfers to public entities, expenditure is expected to increase at an average annual rate of 5.3%, from R29.1 billion in 2020/21 to R34 billion in 2023/24.

The Department of Water and Sanitation continues to focus on integrated water resources management, infrastructure planning and development; and regulating water services. Expenditure is expected to increase at an average annual rate of 2 per cent, from R17 billion in 2020/21 to R18 billion in 2023/24. Transfers and subsidies account for 54.5 per cent (R28.6 billion) of the department’s total expenditure over the MTEF period. The remaining expenditure over the same period is on payments for capital assets (R13.2 billion) and good and services (R5.2 billion).

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

National department's current expenditure

Table 9: Major items of current Expenditure

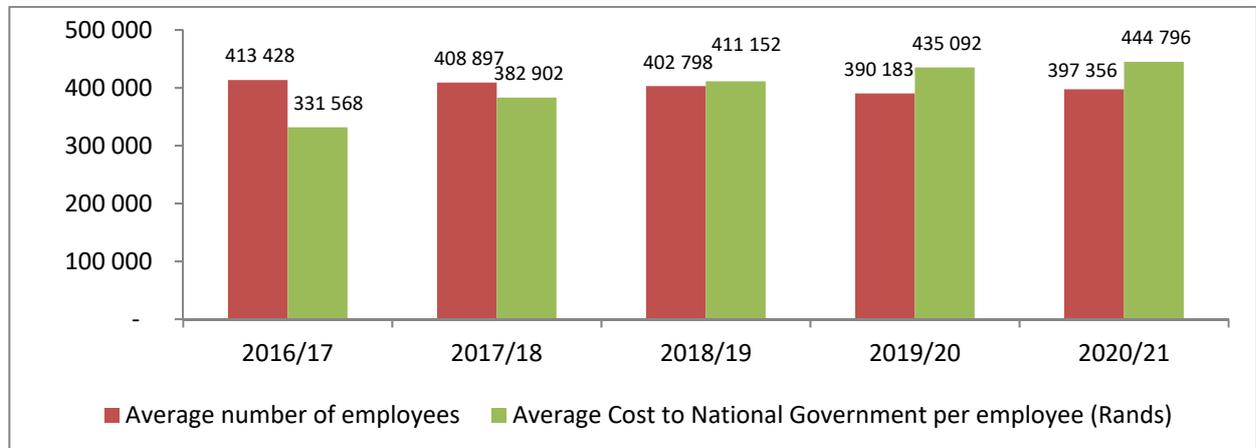
Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Compensation of employees	147 802	156 567	165 611	169 765	176 743
Goods and Services	65 439	69 429	69 913	69 006	69 470

Table 10: Compensation of employees

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Total Compensations costs (R' million)	137 079	156 567	165 611	169 765	176 743
Average number of employees	413 428	408 897	402 798	390 183	397 356
Average Cost to National Government per employee (Rands)	331 568	382 902	411 152	435 092	444 796

The above information illustrates the costs to national government departments and excludes provincial departments. The average number of employees at national departments has increased from 390 183 in 2019/20 to 397 356 in 2020/21, an increase of 1.8%. Compensation, in Rand terms has grown from R169 billion in 2019/20 to R176 billion in 2020/21 thus resulting in a 4.1% increase (2019/20: 2.5%).

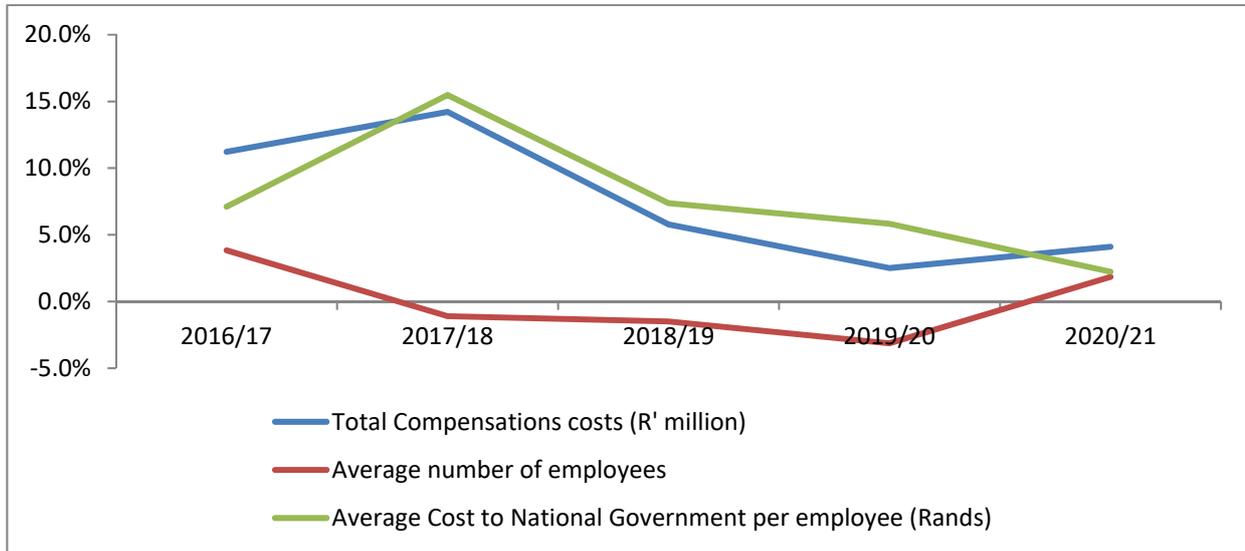
Graph 13: Compensation of employees



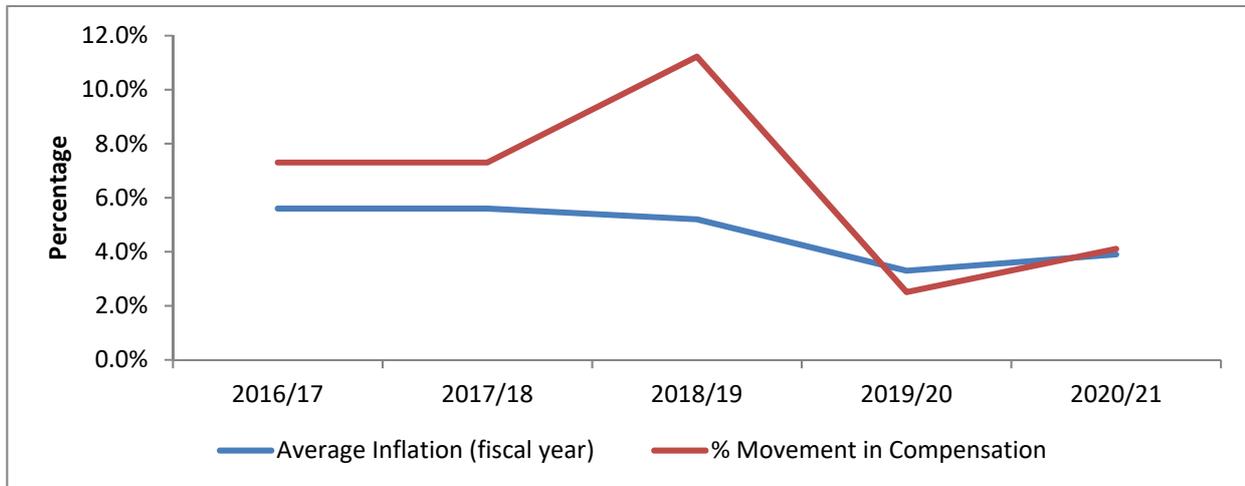
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 14: Year on year movement – compensation of employees



Graph 15: Compensation % increase vs. inflation

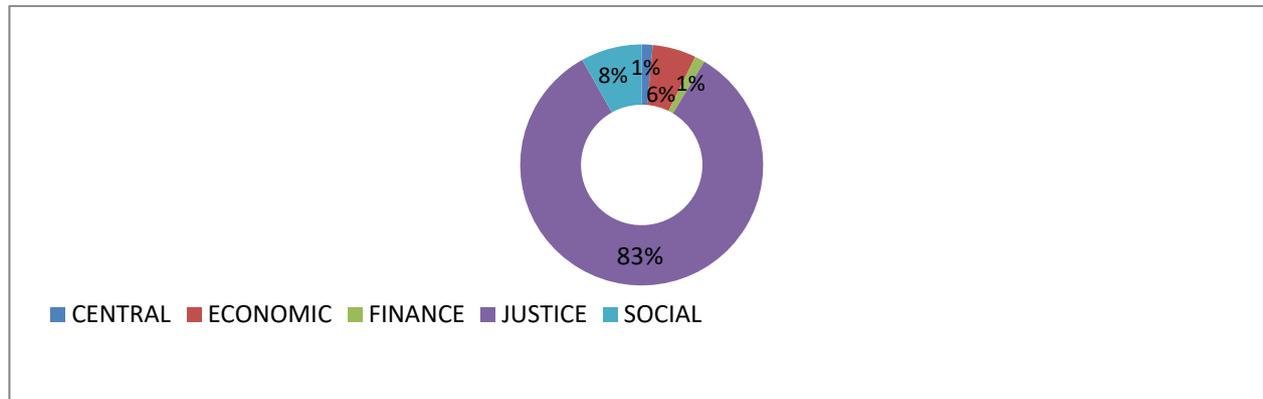


The graphs above also indicate the percentage movement in compensation of employees against the inflation rate over the same period. It depicts a negative correlation of the two over the past five years with the exception of 2019/20 when the inflation rate was slightly above the percentage movement in compensation.

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Graph 16: Average number of employees per cluster



The majority of national departments employees are employed in the Justice and Protection Services cluster numbering 330 787 (2019/20: 337 922) which equates to 83% of the total employees for the year under review (2019/20: 87%). The Justice and Protection Services cluster includes, amongst others, the following departments which each employ a large number of civil servants:

Table 11: Average number of employees

Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
Department	2016/17	2017/18	2018/19	2019/20	2020/21
Department of Police	193 630	191 760	190 144	189 518	183 369
Department of Defence	77 386	76 616	74 349	73 609	73 065
Department of Correctional Services	38 226	39 634	39 108	40 309	39 451

Department of Police

The Department of Police employs the most number of staff in national government and as a result, their expenditure on compensation to employees is R75 billion and accounts to 43% of total compensation costs.

Department of Correctional Services

Spending on compensation of employees increased by 2% in 2020/21, with a decrease in the number of employees from 40 309 to 39 451 in the current year.

Department of Defence

The department's staff compliment has marginally decreased from 73 609 in the prior year to approximately 73 065 in 2020/21. Spending on compensation increased by 2.9% in the current year.

Performance awards

Table 12: Performance awards

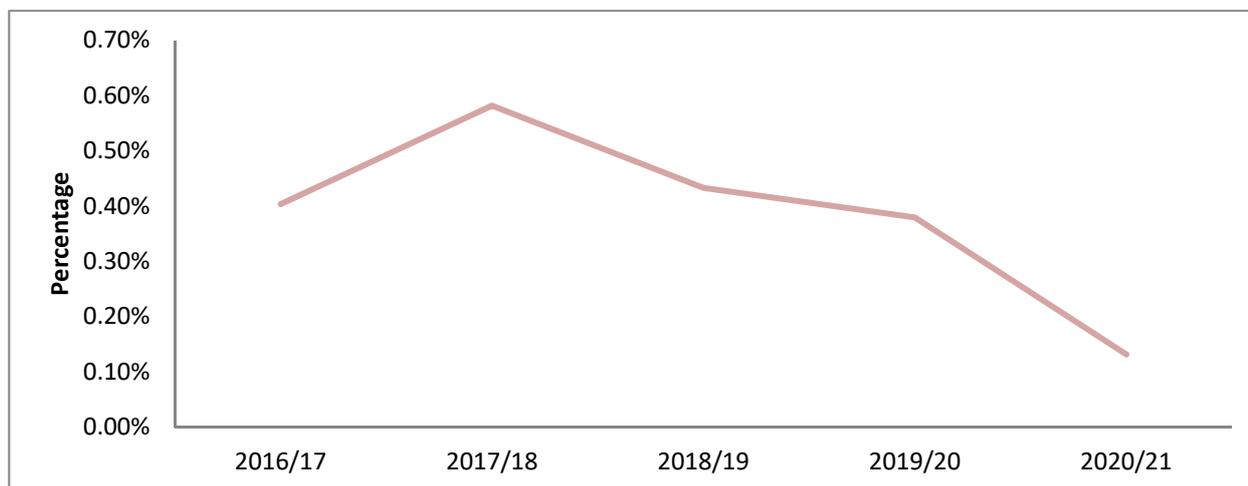
Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
Description	2016/17	2017/18	2018/19	2019/20	2020/21
Performance Awards (R mil)	859,992	779,07	717	644	233
Total Compensation of Employees	147 802	156 567	165 611	169 765	176 743
Performance awards as a % of Compensation	0,40%	0,58%	0,43%	0,38%	0,13%
Movement in Performance Awards	-0,11%	0,18%	-0,15%	-0,05%	-0,25%
Movement in Compensation costs	11,22%	7,82%	5,78%	2,51%	4,11%

REVIEW OF OPERATING RESULTS

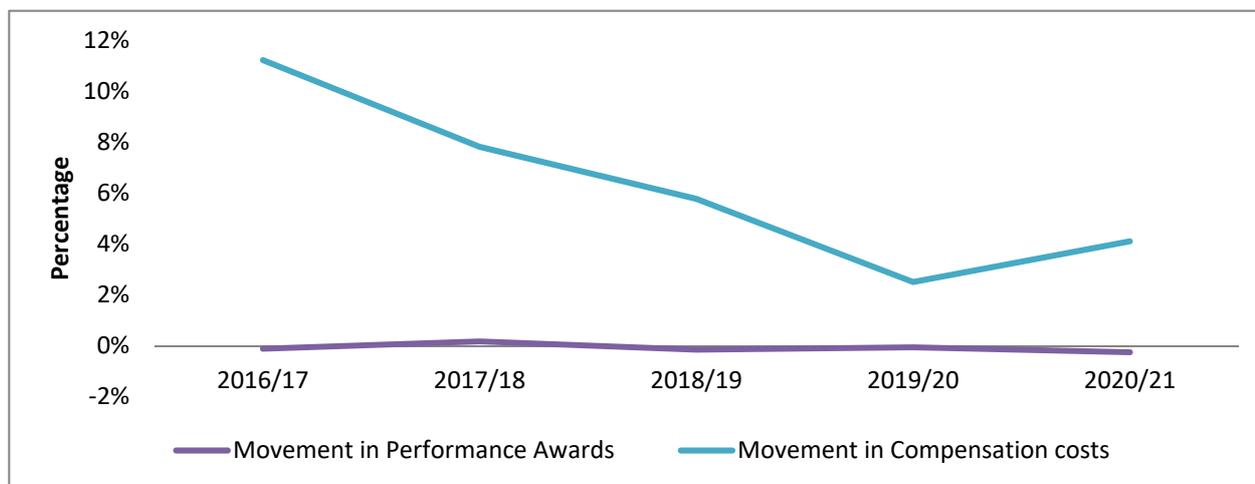
For the year ended 31 March 2021

During the 2020/21 financial year, the performance awards decreased substantially from R644 million to R233 million. Performance awards make up 0.13% of compensation (0.38% in 2019/20). Refer to the graphs below showing performance awards as a percentage of compensation and the movement in performance awards versus movement in compensation.

Graph 17: Performance awards as a % of compensation costs



Graph 18: Movement in performance awards vs. compensation



Training and staff development costs

Training and staff development costs are included in the goods and services costs but it is more appropriate to discuss these costs under compensation of employees as they have a direct relation to employee benefits/costs.

Table 13: Training and staff development

Year Ended 31 March	2016/17	2017/18	2018/19	2019/20	2020/21
<i>R million</i>					
Training & Staff Development	753	1 425	1 770	1 406	823
Total Compensation of Employees	147 802	156 567	165 611	169 765	176 743
Training as a % of Compensation	0,51%	0,91%	1,07%	0,83%	0,47%

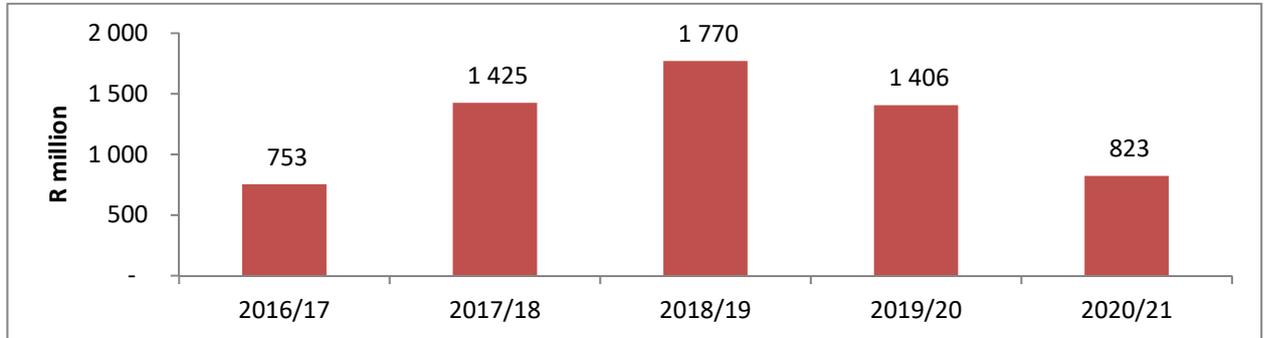
As can be noted in the graphs 19 and 20 below, training and staff development costs had an increasing trend since 2016/17 until 2018/19. In the current year, training and development cost decreased by 71% in the current year from R1.4 million in the year 2019/20 to R823 million in the year 2020/21. As a component of compensation,

REVIEW OF OPERATING RESULTS

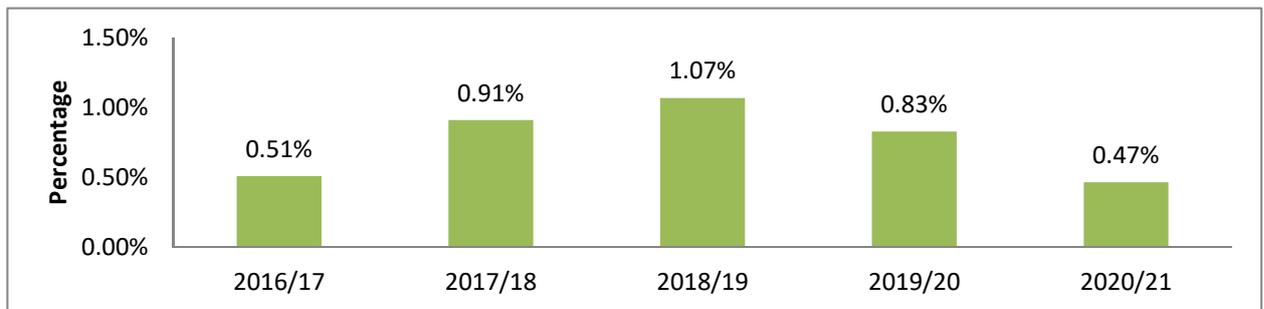
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the ratio decreased from 0.83% to 0.47%. The Department of Environmental Affairs currently accounts for the highest spending on training costs at R216 million (2019/20: R417 million).

Graph 19: Training and staff development



Graph 20: Training as a % of compensation of employees costs



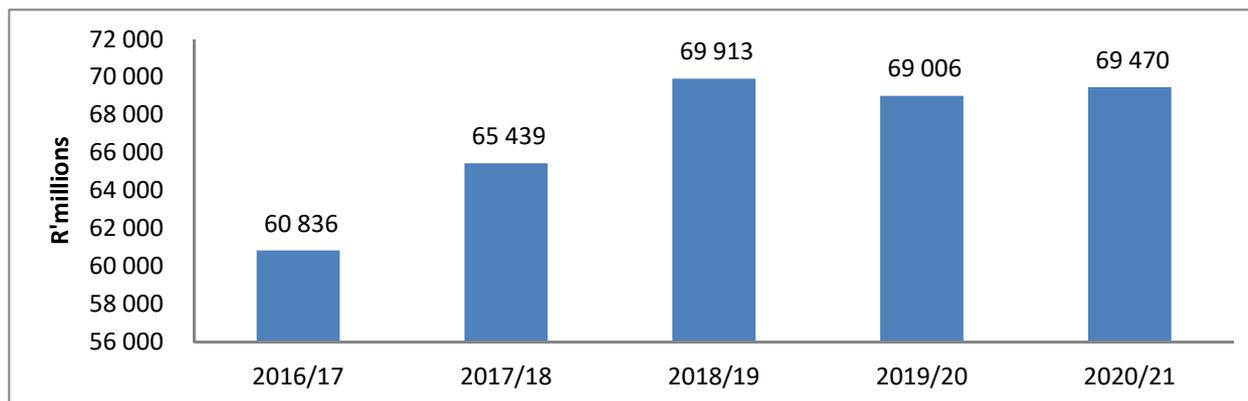
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For the year ended 31 March 2021

Table 14: Goods and services

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Goods and Services	60 836	65 439	69 913	69 006	69 470
Movement in expenditure	4,2%	7,6%	6,8%	-1,3%	0,7%

Graph 21: Goods and services



The major items making up goods and services are disclosed in the table below:

Table 15: Major items of goods and services

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Consultants, contractors and special services	15 310	16 433	15 436	16 413	15 075
Inventory	8 162	9 321	9 952	9 315	12 838
Operating leases	9 698	10 145	11 299	10 233	11 937
Travel and subsistence	5 770	5 562	6 046	5 698	2 985
Computer Services	7 582	6 932	5 497	7 029	7 263
Property payments	6 377	5 824	6 016	6 459	6 860
Communication	1 596	1 434	1 346	1 193	1 307
Other	10 944	13 778	14 320	12 668	11 206
Total	65 439	69 429	69 913	69 006	69 470

The major contributor to Goods and Services was expenditure on Consultants, contractors and special services as well as expenditure on operating leases. These expenditures accounted for 22% and 17% respectively of total goods and services.

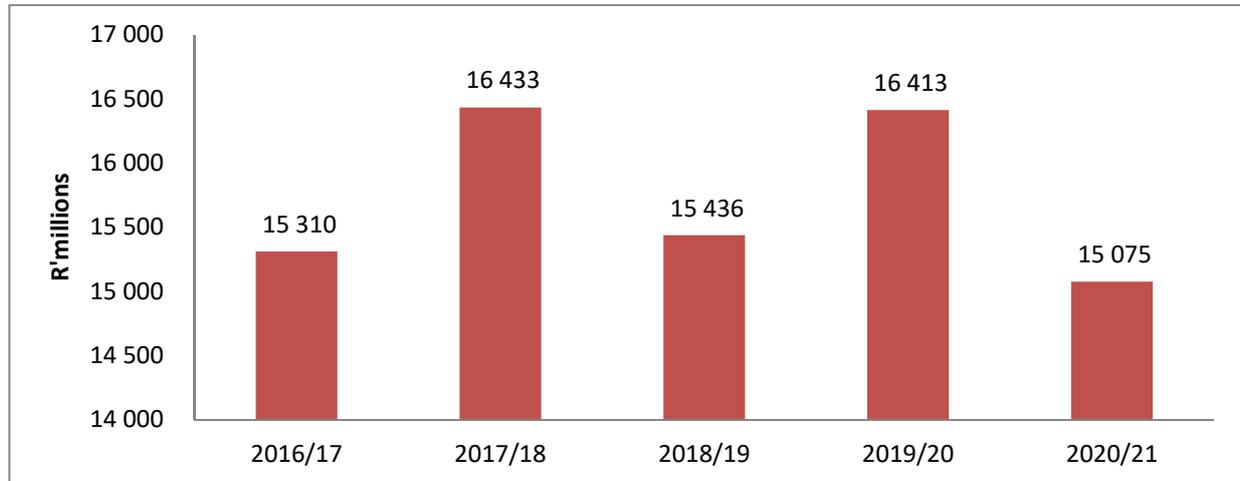
Table 16: Consultants, contractors and special services

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Consultants, contractors and special services	15 310	16 433	15 436	16 413	15 075
Movement in expenditure	12,2%	-16,4%	12,2%	6,3%	-8,2%

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Graph 22: Consultants, contractors and special services

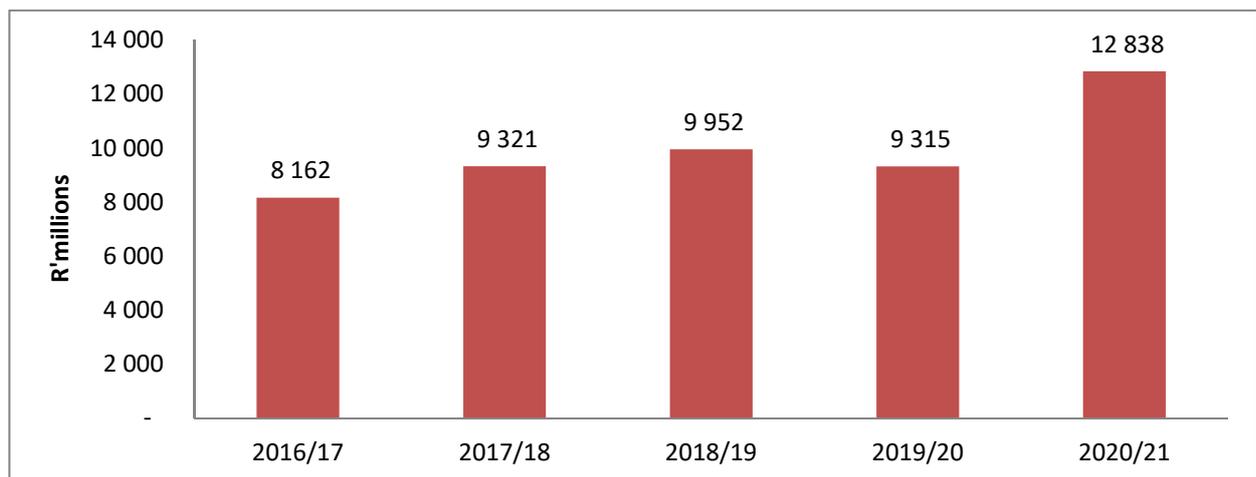


Payment of consultants, contractors and special services (CCSS) decreased from the 2019/20 financial year. The three highest spending departments in this regard are Defence at R858 million (2019/20: R1 billion), National Treasury R479 million (2019/20: R554 million) and Health at R400 million (2019/20: R345 million).

Table 17: Inventory and consumables

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Inventory	8 162	9 321	9 952	9 315	12 838
Movement in expenditure	8,2%	14,2%	8,2%	-6%	38%

Graph 23: Inventory and consumables



Inventory and consumables purchases increased by 38% in the 2020/21 year. The major purchases of inventory were incurred by the Department of Defence amounting to R3.9 billion which was mainly for food supplies and medical supplies and Department of Correctional Services at R1.4 billion.

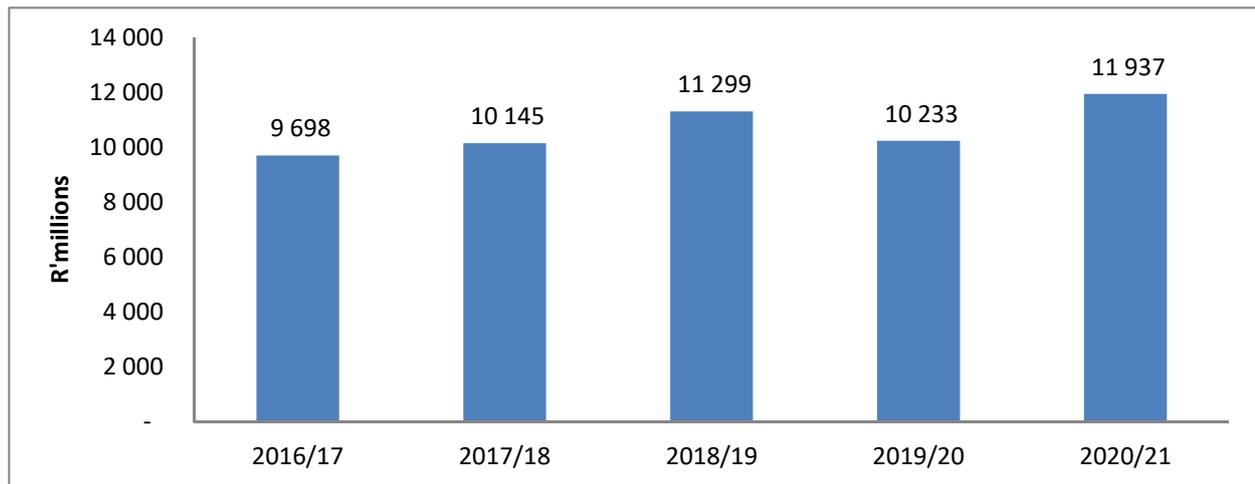
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Table 18: Operating leases

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Operating leases	9 698	10 145	11 299	10 233	11 937
Movement in expenditure	-1,1%	1,7%	-1,1%	-9%	17%

Graph 24: Operating leases

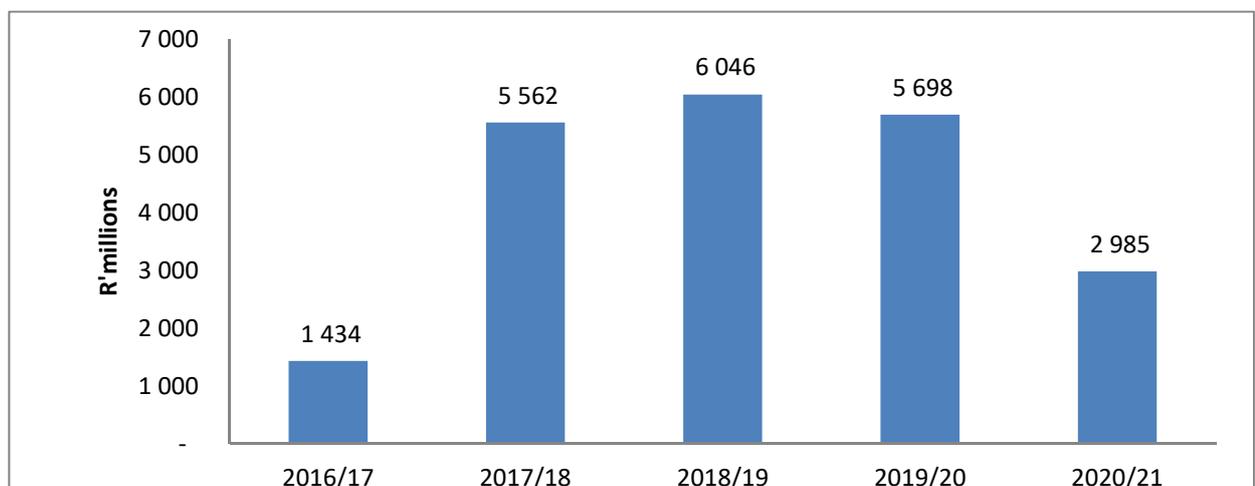


Expenditure on operating leases increased by 17% in the 2020/21 year as compared to a -9% decrease in 2019/20. The three highest spending departments in this regard are Police at R3.1 billion 27%, Defence R2.2 billion 19% and Correctional Services at R1 billion 9%.

Table 19: Travel and subsistence

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Travel and subsistence	1 434	5 562	6 046	5 698	2 985
Movement in expenditure	-10,2%	287,9%	8,7%	-6%	-48%

Graph 25: Travel and subsistence



Travel and subsistence shows a -48% decrease, as compared to a -6% decrease in the previous year. The Justice cluster accounts for 66% of the total expenditure of R1.9 billion while the Economic cluster spending

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accounts for 16% at R475 million. The major spenders within the Justice cluster were again Police and Defence who spent R774 million and R745 million respectively followed by the Department of Justice with R211 million.

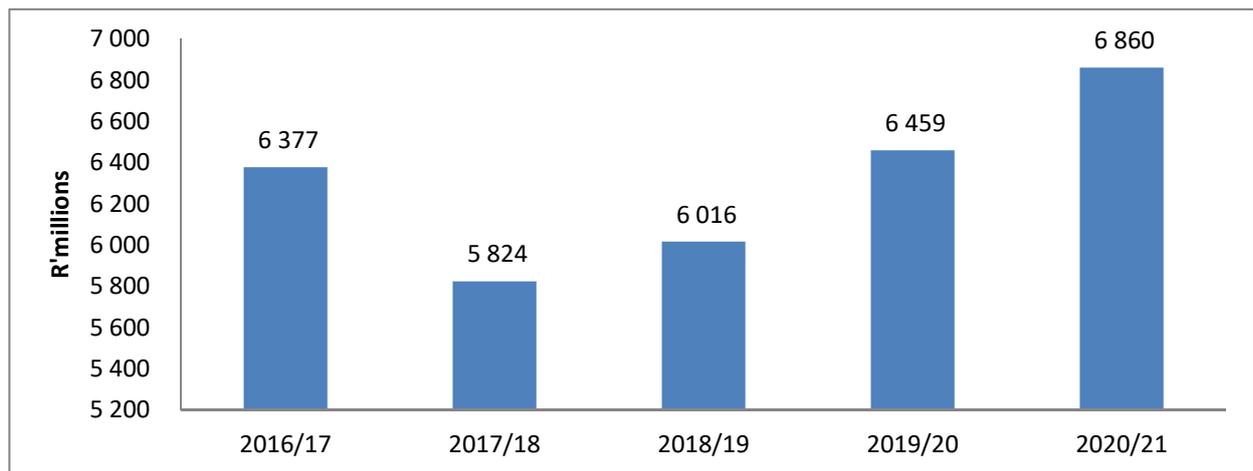
Table 20: Computer services

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Computer Services	7 582	6 932	5 497	7 029	7 263
Movement in expenditure	6,7%	7,0%	-21%	28%	3%

Table 21: Property payments

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Property payments	6 377	5 824	6 016	6 459	6 860
Movement in expenditure	10,9%	-8,7%	3,3%	7%	6%

Graph 26: Property payments



This expenditure amounts to 10% of the total goods and services expenditure and has increased by 6% in the current year compared to an increase of 7% in the 2019/20 financial year. The largest contributors to the expenditure is Correctional Service with 21%, Justice 20% and Police 19%. The other major spenders in this area are Defence R709 million (2019/20: R1 billion) and International Relations and Cooperation with R406 million (2019/20: R403 million), while Agriculture, Land Reform and Rural Development spent R572 million.

The following items are **not** considered major expenditure items but are included due to their nature.

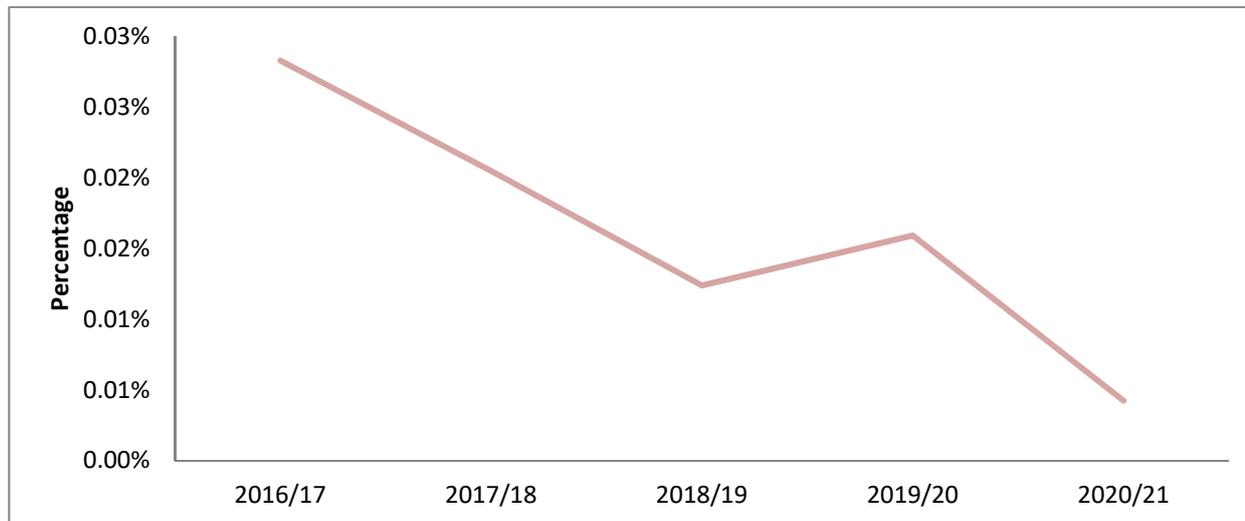
Table 22: Catering and entertainment

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Catering and entertainment	274	270	294	275	79
Movement in expenditure	-14,5%	-1,5%	8,9%	-6,3%	-71,4%

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Graph 27: Catering and entertainment as a % of total expenditure



In the current year Catering and entertainment expenditure decreased by -71.4% compared to a decrease of -6.3% in the 2019/20 financial year and there was slight increase of 0.004% compared to the prior year increase of 0.02% in relation to total expenditure.

Table 23: Bursaries

Year Ended 31 March					
R million	2016/17	2017/18	2018/19	2019/20	2020/21
Bursaries	60	68	80	59	74
Total Compensation of employees	137 079	147 802	165 611	169 765	176 743
As a % of Compensation of employees	4,35%	4,61%	4,82%	3,45%	4,17%

There were no major changes in the bursary expenditure. The total compensation expenditure increased by 4% in the current year. The bursary expenditure as a percentage of compensation is still low at 0.04% of total compensation of employees, a slight increase to what was reported in the previous year.

Table 24: Transfers and subsidies

Year Ended 31 March					
R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Provinces and Municipalities	181 496	196 812	207 975	213 535	213 535
Departmental agencies and accounts	98 981	98 554	114 177	162 380	127 863
Higher education institutions	28 207	31 597	36 911	42 363	43 329
Public corporations and private enterprises	36 770	32 438	32 910	22 976	26 775
Households	149 442	162 311	174 402	199 727	230 167
Other	6 103	6 277	9 718	10 616	28 181
Total	500 999	527 990	576 092	651 597	669 850
Increase from prior year	6,1%	6,1%	9,1%	13,1%	2,8%
As a % of Total revenue	43,7%	43,9%	44,9%	48,2%	53,9%
As a % of Total expenditure	37,9%	38,1%	38,0%	37,7%	36,1%

Transfers and subsidies increased by 2.8% in the current year. A significant portion of subsidies relate to Households representing 34% of the total. The Social Service cluster takes the largest portion of transfers and subsidies amounting to 61% of the total transfers and subsidies.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 28: Breakdown of transfers and subsidies 2020/21

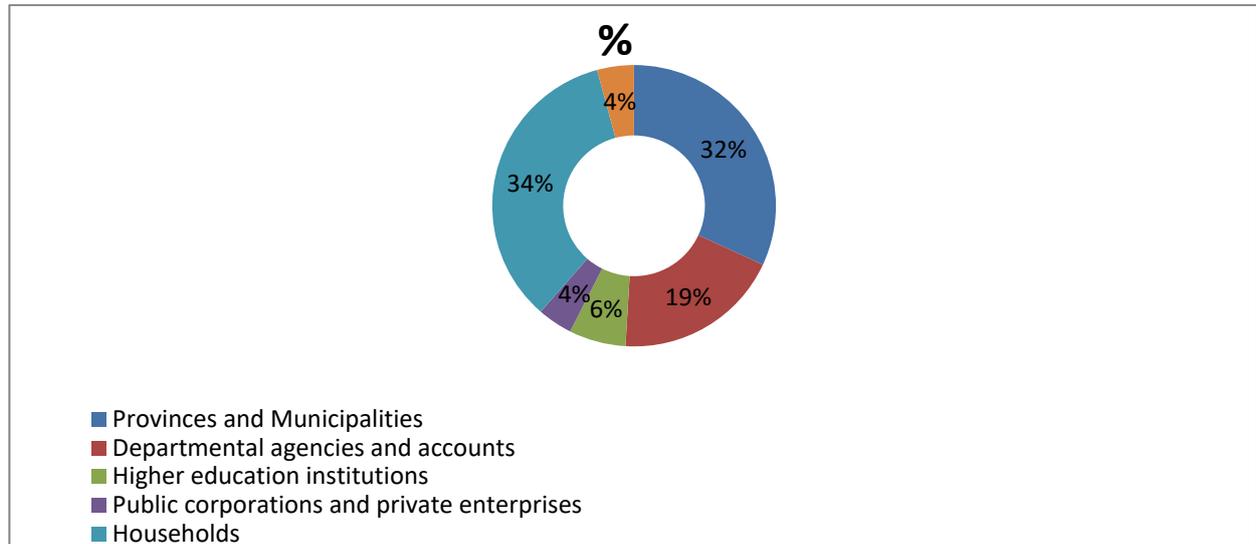


Table 25: Expenditure for capital assets

Capital Expenditure <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Total capital expenditure	16 026	18 701	16 262	12 500	12 807
Movement in expenditure	-12,7%	16,7%	-13,0%	-23,1%	2,5%

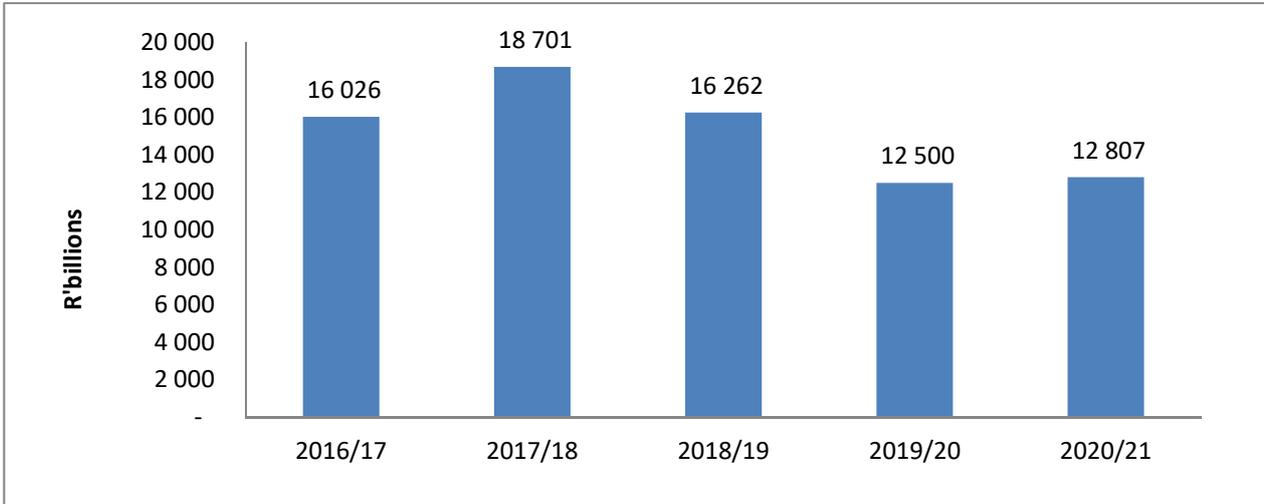
Capital expenditure has increased by 2.5% during the current year from R12.5 billion in 2019/20 to R12.8 billion in 2020/21. The majority of the capital expenditure was spent on buildings and other fixed structures which accounted for R7.2 billion of the total expenditure. Capital expenditure on machinery and equipment amounts to R4.7 billion.

Expenditure by cluster shows that the Justice and Protection Service cluster is the biggest spender at R6.2 billion, Economic cluster accounts R3.7 billion of total capital expenditure, followed by the Social Service cluster at R2.1 billion.

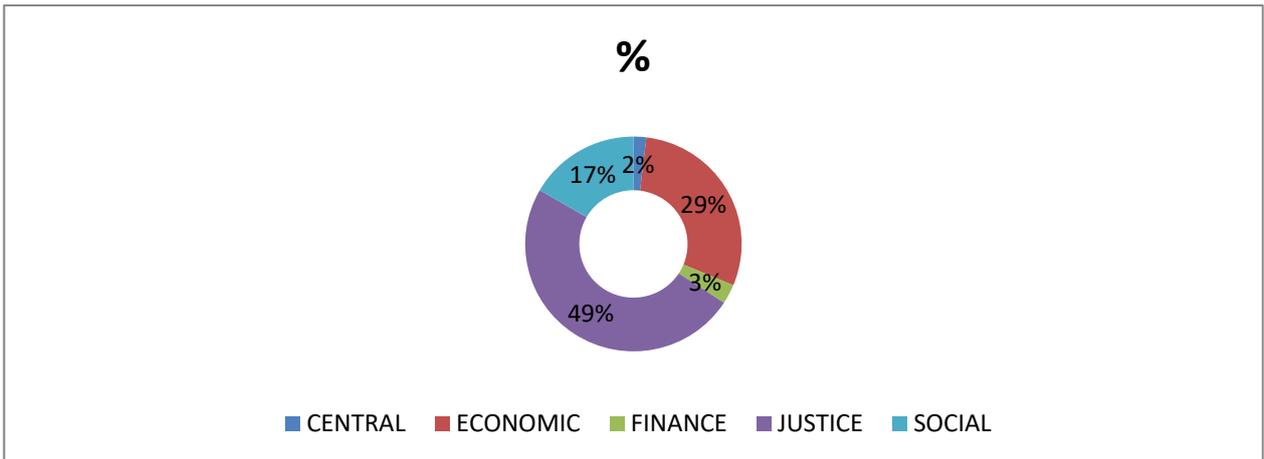
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 29: Total capital expenditure



Graph 30: Capital expenditure by cluster 2020/21



REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Assets

Table 28: Cash and cash equivalents

Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Cash and equivalents	206 710	209 186	229 377	251 408	322 459
Movement in cash and cash equivalents	1%	1%	10%	10%	28%

Cash and cash equivalents stand at R322 billion (gross R342 billion less R19 billion bank overdraft). This is made up by 27% of foreign currency deposits, 12% sterilisation deposits and 51% deposits held with commercial banks.

Graph 30: Cash and cash equivalents by cluster 2020/21

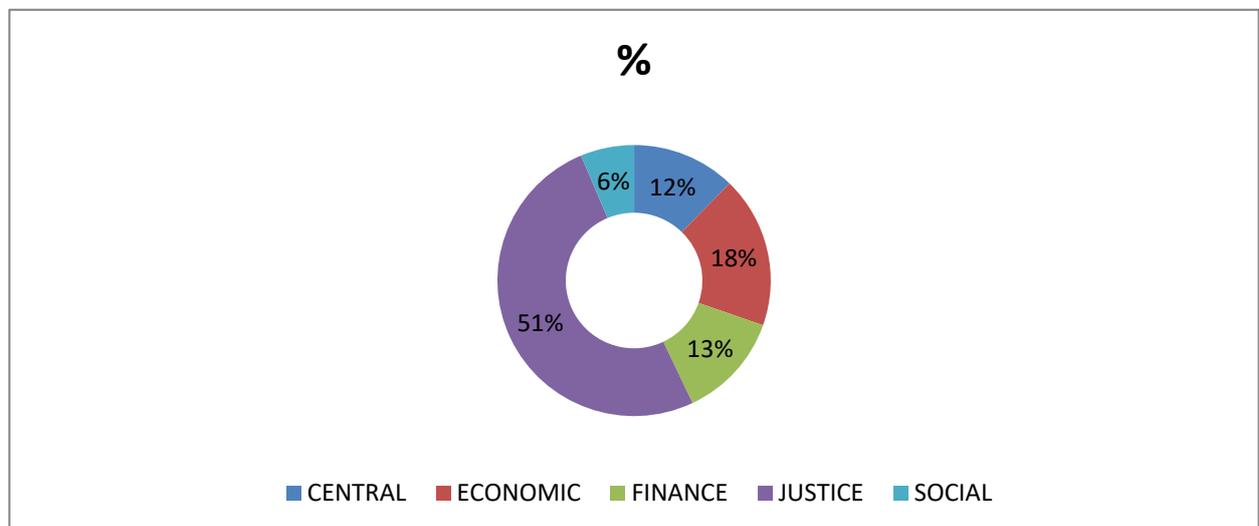


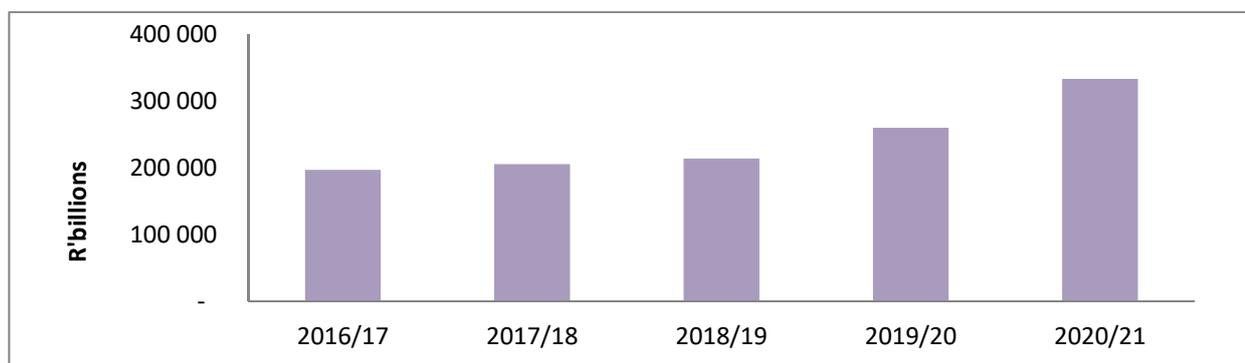
Table 29: National Revenue Fund Holding

Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Commercial Banks					
Tax and Loan account	45 262	44 634	47 354	44 436	198 554
South African Reserve Bank					
Sterilisation deposits	67 157	67 157	67 157	67 157	41 157
Foreign currency deposits	84 466	94 404	102 083	148 196	93 263
Other	168	-481	-2 534	491	540
US \$ equivalent of foreign cash balances	\$12.27bn	\$11.5bn	\$7.3bn	\$6.3bn	\$8.3bn
Total	197 054	205 715	214 060	260 280	333 514

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 31: National Revenue Fund Holding



The National Treasury is responsible for maintaining adequate cash in the National Revenue Fund to meet its commitments and investing any surplus cash. Government's total cash includes deposits held by the Reserve Bank and commercial banks. Cash deposits with the Reserve Bank comprise the following:

- Deposits used to "sterilise" the excess cash created in the money market when buying foreign exchange reserves.
- Foreign exchange deposits made from money borrowed in international markets, or from purchases in the local market.

Sterilisation deposits are available for bridging finance purposes. Cash with commercial banks is invested in line with predetermined credit-risk benchmarks. Foreign currency deposits decreased from R148.2 billion in 2019/20 to R93.3 billion in 2020/21. This is due to government converting US\$4.6 billion of the foreign currency deposit into Rand to finance Rand-denominated commitments. In future government will revert to its original strategy of utilising foreign currency deposits to finance foreign-currency denominated commitments.

Table 30: Receivables

Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Receivables	8 777	22 626	9 574	9 245	11 076
Movement in receivables	8,4%	157,8%	-57,7%	-3,4%	19,8%

Receivables increased by 19.8% in 2020/21 from R9.2 billion to R11 billion. The increase is mainly attributable to increases in claims recoverable and other debtors that constitutes the majority of total receivables. Included in receivables are amounts owed to the government in relation to goods and services as well as interest receivables.

Table 31: Investments

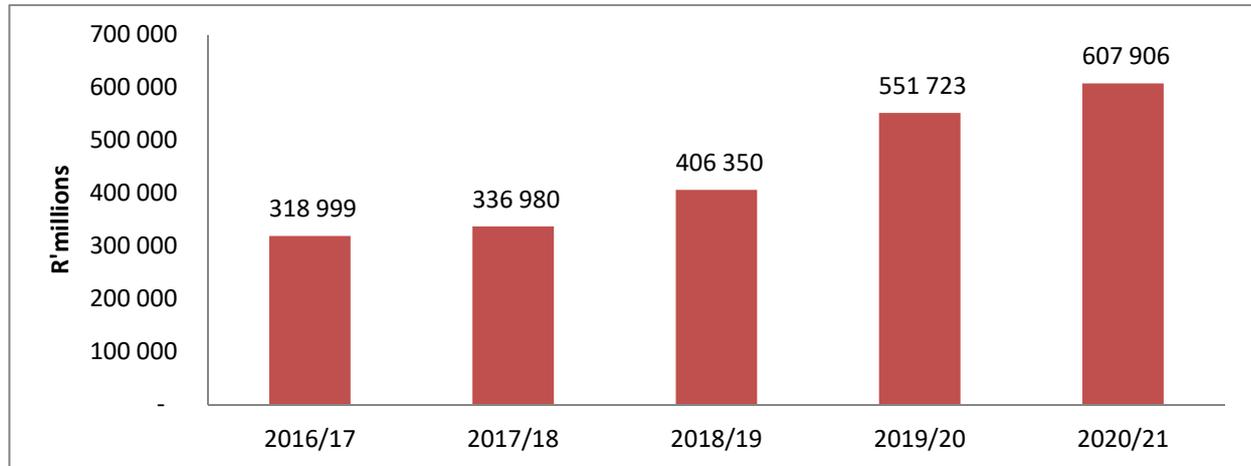
Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Investments	318 999	336 980	406 350	551 723	607 906
Movement in investments	-2%	6%	21%	35,8%	10,2%

Investments include South Africa's subscription to shares in multilateral institutions such as International Monetary Fund, the African Development Bank, World Bank and the New Development Bank. Total investments increased from R551 billion in 2019/20 to R607 billion in 2020/21 or 10.2%. The increase is mainly due to an increase in shares and other equity as a result of a decrease in the share price.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 32: Investments



The major investments reported on in the audited financial statements of parent departments are listed in the following table which indicates actual Rand amounts of the cost of investments held by government for the past two years. Most investments have remained similar in the current year with little or no movement. The estimated impairment of investments is R81 billion (2019/20: R48 billion).

Table 32: Major Investments

Year Ended 31 March R' 000	Actual 2020/21	Actual 2019/20
Onderstepoort Biological Products Ltd	1	
Telkom SA Limited	2 070 381	2 070 381
South African Post Office Limited	8 164 116	8 164 116
Sentech	2	2
Vodacom	3 743	3 743
National Housing Finance Corporation	2 363 635	2 363 635
SERVCON	604	604
Nuclear Energy Corporation of South Africa	2 205	
IDC A SHARE 1 000 000 AT COST (100 % SHAREHOLDING)	1 000	1 000
IDC B SHARE 1 391 969 357 AT COST (100 % SHAREHOLDING)	1 391 969	1 391 969
Passenger Rail Agency of South Africa Ltd.	4 248 259	4 248 259
Airports Company Ltd.	2 884 242	559 492
Air Traffic and Navigational Services Company Ltd.	190 646	190 646
S.A. National Roads Agency (SOC) Ltd.	1 091 044	1 091 044
Development Bank of Southern Africa	200 000	200 000
Public Investment Corporation Limited	1	1
Land Bank	7 397 655	4 397 655
Alexkor SOC Ltd	400 000	400 000
Denel SOC Ltd	8 552 376	7 976 376
Eskom SOC Ltd	188 000 000	132 000 000
Safcol SOC Ltd	318 013	318 013
Transnet SOC Ltd	12 660 986	12 660 986
South African Express SOC Ltd	2 277 395	2 134 000
South African Airways SOC Ltd	54 483 709	33 508 758
Armscor	75 000	75 000
Special Defence activities	107 164	107 164
Total Investments Shares and Other Equity	296 884 146	213 862 844

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Table 33: Loans

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Loans	2 659	1 580	1 582	1 582	1 373
Movement in Loans	-64,8%	-40,6%	0,1%	0,0%	-13,2%

Loans decreased by a margin of -13.2% in 2020/21 compared to the 0% increase in the previous financial year.

Liabilities

Table 34: Payables

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Payables	5 709	13 324	6 058	-5 567	-11 204
Movement in Payables	-24,5%	133,4%	-54,5%	-191,9%	101,3%

Payables have decreased from -R5.5 billion in 2019/20 to -R11.2 billion in 2020/21. Other payables which are included in the non-current payables include salary related payables such as pension fund, housing allowance, income tax and bargaining council expense/fees.

Table 35: Multilateral institutions

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Multilateral Institutions	176 837	177 874	227 209	307 747	334 944
Movement in Multilateral Institutions	-4,2%	0,6%	27,7%	35,4%	8,8%

South Africa is a member of the African Development Bank, International Monetary Fund, New Development Bank and World Bank Group. Membership incurs certain financial obligations, some of which are categorised as contingent liabilities. These obligations are capital and quota contributions to maintain the country's shareholding in the institutions and strengthen the global safety net that they support. Liabilities to multilateral institutions consist of the African Development bank (R55 billion), International Monetary Fund - Securities Account (R114.3 billion), International Monetary Fund - SDR Allocations (R37.4 billion), International Bank for Reconstruction and Development (30.3 billion), Multilateral Investments Guarantee Agency (R0.22 billion), and New Development Bank (R97.7 billion).

Current and non-current borrowings

Government incurs debt when financing the shortfall between its expenditure and revenue. This shortfall is financed through raising loans in the domestic and international capital markets. The stock of debt is also influenced by inflation and currency movements.

Table 36: Borrowings

Year Ended 31 March <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Current borrowings	326 832	328 462	406 957	428 447	516 368
Non-current borrowings	1 906 011	2 161 227	2 381 332	2 832 896	3 419 333
Total	2 232 843	2 489 688	2 788 289	3 261 342	3 935 701
Movement in Borrowings	10,60%	11,50%	11,99%	17,0%	20,7%

Table 36 splits the debt portfolio between current and non-current borrowings. Current borrowings represent debt with a remaining term not exceeding one year, of which Treasury bills account for the largest portion. Non-current borrowings consist of fixed rate and inflation-linked bonds and foreign loan with an outstanding term exceeding one year.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Graph 33: Borrowings

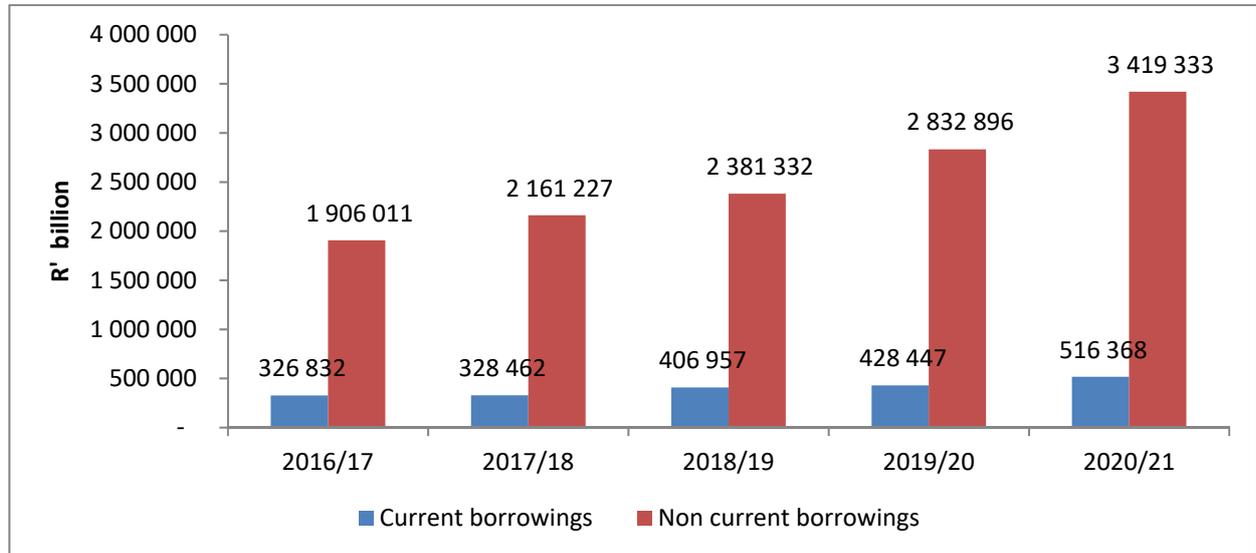


Table 37 below shows government debt split between domestic and foreign debt. In addition, government's debt is also disclosed on a gross and net basis. Net loan debt consists of total domestic and foreign debt less the cash balances of the NRF. Gross government debt as per cent of GDP, has increased from 57.4% in 2019/20 to 70.7% in 2020/21. This was as a result of higher budget deficit following lower economic growth and the global economic effects of the COVID-19 pandemic.

Table 37: National government debt

<i>R' million</i>	2016/17	2017/18	2018/19	2019/20	2020/21
Domestic debt	2 020 089	2 271 878	2 496 976	2 874 118	3 543 266
Foreign debt	212 754	217 811	291 314	387 225	392 434
Gross loan debt	2 232 843	2 489 689	2 788 290	3 261 343	3 935 700
Less: National Revenue Fund bank balances	(216 768)	(224 629)	(243 231)	(260 280)	(333 514)
Net loan debt	2 016 075	2 265 060	2 545 059	3 001 063	3 602 186
<i>As percentage of GDP :</i>					
<i>Gross loan debt</i>	46,2	48,5	51,5	57,4	70,7
<i>Net loan debt</i>	41,7	44,1	47,0	52,8	64,7

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

**REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON THE CONSOLIDATED
FINANCIAL STATEMENTS OF NATIONAL
DEPARTMENTS OF THE NATIONAL
TREASURY**

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Report on the audit of the consolidated financial statements

Qualified opinion

1. I have audited the consolidated financial statements of the National Treasury set out on pages 48 to 114, which comprise the consolidated statement of financial position as at 31 March 2021, the consolidated statement of financial performance, statement of changes in net assets and consolidated cash flow statement for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the National Treasury as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 1 of 2018) (Dora)

Basis for qualified opinion

Goods and services

Department of Cooperative Governance

3. I was unable to obtain sufficient appropriate audit evidence for payments made to Community Work Programme (CWP) implementing agents as the Department of Cooperative Governance could not provide accurate and complete substantiating records for payments made for project management fees, as required by the contracts signed with implementing agents. I was unable to confirm the amount for Consultants: Business and advisory services by alternative means. Consequently, I was unable to determine

whether any adjustment to Consultants, contractors and outsourced services stated at R4 108 200 000 (2020: R4 293 510 000) in note 8 to the consolidated financial statements was necessary.

4. In addition, I was unable to obtain sufficient appropriate audit evidence for payments made to the participants on the CWP as the department could not provide accurate and complete attendance registers of the participants for the month ended 31 January 2021 and some participants did not have contracts in place for payments made during the period January 2021 to March 2021. I was unable to confirm the amount for contractors by alternative means. Consequently, I was unable to determine whether any adjustment to Contractors stated at R6 630 090 000; (2020: R6 943 610 000) in note 8 to the consolidated financial statements was necessary.
5. The Department of Cooperative Governance did not record expenditure for capital assets in accordance with the Modified Cash Standards (MCS), Chapter 11. The Department of Cooperative Governance incorrectly classified expenditure for capital assets as goods and services: consumables, while it met the definition of tangible capital assets. Consequently, the goods and services: consumables are overstated by R77 167 920, while expenditure for capital assets are understated by R77 167 920. Additionally, the Department of Cooperative Governance did not record expenditure from goods and services in accordance with the Modified Cash Standards (MCS). The department has recorded expenditure that was incurred in the prior year in the current year. Consequently, goods and services: consumables are overstated by R52 664 805, while the comparative amount is understated by R52 664 805. This also has an impact on the prior and current year's surplus and voted funds to be surrendered to the revenue funds.

Department of Water and Sanitation

6. I was unable to obtain sufficient appropriate audit evidence that training and development expenditure was properly accounted for as the department did not implement adequate internal controls to verify payments made to

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

supporting evidence. I was unable to confirm the payments made by alternative means. Payables not recognised for goods and services include amounts related to these costs. Consequently, I was unable to determine whether any adjustment was necessary to training and staff development expenditure stated at R822 540 000 (2020: R1 405 659 000) in note 8 to the consolidated financial statements as well as payables not recognised for goods and services stated at R1 705 051 000 (2020: R1 986 604 000) as included in note 30 to the consolidated financial statements.

Department of Defence

7. The Department of Defence accounts for non-sensitive and sensitive projects expenditure in connection with special defence activities as per section 2(2)(a) of the Defence Special Account Act 6 of 1974, as amended. I was unable to obtain sufficient appropriate audit evidence on sensitive projects expenditure and related investments due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included within the expenditure of R69,47 billion (2020: R69,01 billion), as per note 8 to the consolidated financial statements, and investments for special defence activities included in the investment amount of R182,16 million (2020: R182,16 million), as per note 18 to the consolidated financial statements.

Irregular expenditure

Department of Environment, Forestry and Fisheries

8. I was unable to obtain the extent of payments made to contractors that have been identified as irregularly appointed by the department following procurement transactions in previous financial periods. The Department of Environment, Forestry and Fisheries did not maintain accurate and complete records of the related expenditure incurred on separate contractual agreements with contractors to determine the irregular expenditure disclosed in the financial statements. I could not confirm the

amounts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to irregular expenditure, stated at R48,6 billion (2019-20: R38,6 billion) in note 34 to the consolidated financial statements.

9. The department did not include the particulars of all irregular expenditure in the notes to the financial statements, as required by section 40(3)(b)(i) of the PFMA. The department did not implement adequate internal control systems to identify and record all instances of irregular expenditure incurred in both the current and prior years. This resulted in the irregular expenditure disclosure being understated. I was unable to quantify the full extent of the misstatement of irregular expenditure to be disclosed as it was impracticable to do so. Consequently, I was unable to determine the extent of adjustments necessary to the balance of irregular expenditure disclosure, stated at R48,6 billion (2019-20: R38,6 billion) in note 34 to the consolidated financial statements.

Department of Defence

10. The department did not fully record irregular expenditure in the notes to the financial statements, as required by section 40(3)(b)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Consequently, I was unable to determine the full extent of the understatement to irregular expenditure, stated at R48,6 billion (2019-20: R38,6 billion) in note 34 to the consolidated financial statements, as it was impracticable to do so.

Movable Tangible Capital Assets

Department of Defence

11. I was unable to obtain sufficient appropriate audit evidence for movable tangible capital assets as the department could not indicate where these assets are located or provide other information in support of these assets. I was unable to confirm or verify these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets,

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

stated at R105,1 billion in note 41 to the consolidated financial statements.

This resulted in a material misstatement of the consolidated financial statements of the national departments.

Context for the opinion

12. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated financial statements section of my report.

13. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

14. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matter

15. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Ministerial exemption in terms of section 92 of the PFMA from preparing a single set of consolidated financial statements

16. As disclosed in note 55 to the consolidated financial statements, the minister of Finance granted the National Treasury exemption in terms of section 92 of the PFMA from the provisions of section 8(1) of the act. The exemption applies to the financial periods 2020-21 to 2024-25 and allows the National Treasury not to prepare a single set of consolidated financial statements for national departments and national public entities.

Other matters

17. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

18. The supplementary information set out on pages 115 to 122 does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the consolidated financial statements

19. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Modified Cash Standard and the requirements of the as prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 1 of 2018) (Dora), and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

20. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the National Treasury's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the [type of auditee/ group] or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the consolidated financial statements

21. My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

22. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the consolidated financial statements or the auditor's report.

24. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

27. I considered internal control relevant to my audit of the consolidated financial statements. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion included in this report.

28. The National Treasury has not fully implemented the commitments made to address repeat findings as the targeted departments were not committed to the exercise. National Treasury also attributes this to the impact of COVID 19 related interruptions. Some entities repeatedly obtained modified audit opinions, resulting in a repeat qualified opinion at consolidation level. The National Treasury was thus not able to comply with the requirements of the PFMA.

Auditor-General

Pretoria

7 December 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated financial statements.

Financial statements

2. In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 department’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National Treasury to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related

disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
OPERATING INCOME			
Revenue from Taxes, Levies & Duties	2	1 200 563 747	1 317 827 484
Departmental revenue	3	36 131 165	26 810 587
Other Revenue	4	4 491 039	4 447 507
Aid assistance		2 209 001	1 957 109
TOTAL REVENUE		1 243 394 952	1 351 042 686
REVENUE FUND EXPENDITURE			
Appropriated Funds	6	833 124 357	758 735 617
CARA payments		832 973 658	758 588 145
		150 699	147 472
DEPARTMENTAL EXPENDITURE			
Current Expenditure			
Compensation of employees	7	247 631 305	239 948 202
Goods and services	8	176 742 522	169 765 457
Interest and rent on land	9	69 470 268	69 006 267
Aid assistance		210 697	190 413
		1 207 818	986 065
Transfers and subsidies			
Transfers and subsidies	11	671 114 715	651 928 128
Aid assistance		670 462 508	651 596 953
		652 207	331 175
Expenditure for capital assets			
Tangible assets	10.1	12 806 669	12 499 607
Intangible assets	10.2	12 411 772	12 049 639
		394 897	449 968
Unauthorised expenditure approved without funding		-	705
Payments for financial assets	13	88 985 706	64 546 821
TOTAL EXPENDITURE		1 853 662 752	1 727 659 080
SURPLUS/(DEFICIT)		(610 267 800)	(376 616 394)
Foreign exchange revaluation		(32 186 409)	(72 946 274)
SURPLUS/(DEFICIT) FOR THE YEAR		(642 454 209)	(449 562 668)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		(637 425 530)	(450 604 635)
Departmental revenue and NRF Receipts		(5 275 324)	605 770
Aid assistance	6	246 645	436 197
SURPLUS/(DEFICIT) FOR THE YEAR		(642 454 209)	(449 562 668)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

	Notes	2020/21 R '000	2019/20 R '000
ASSETS			
Current Assets		351 188 407	278 023 861
Cash and cash equivalents	14	342 264 076	270 399 819
Other financial assets	12	21 486	20 194
Prepayments and advances	15	1 801 853	1 532 677
Receivables	16	7 003 014	6 006 925
Loans	17	4 039	4 094
Aid assistance receivable	6	93 939	60 152
Non-Current Assets		612 813 808	556 559 197
Investments	18	607 905 506	551 722 996
Receivables	16	3 469 761	3 189 636
Loans	17	1 368 879	1 577 957
Other financial assets	12	69 662	68 608
TOTAL ASSETS		964 002 214	834 583 058
LIABILITIES			
Current Liabilities		523 485 150	440 848 692
Bank overdraft	19	19 805 010	18 991 830
Payables	20.1	(13 192 441)	(7 183 603)
Borrowings	21	516 367 714	428 446 562
Aid assistance repayable	6	251 940	406 440
Aid assistance unutilised	6	252 927	187 462
Non-Current Liabilities		3 755 931 978	3 142 264 702
Payables	20.2	1 654 793	1 622 397
Borrowings	22	3 419 333 040	2 832 895 658
Multi-lateral institutions	23	334 944 145	307 746 647
TOTAL LIABILITIES		4 279 417 128	3 583 113 394
NET ASSETS		(3 315 414 914)	(2 748 530 336)
Represented by:			
Capitalisation reserve		298 148 122	215 129 951
Recoverable revenue		1 477 304	2 136 091
Retained funds		(3 615 040 340)	(2 965 796 378)
TOTAL		(3 315 414 914)	(2 748 530 336)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
NET ASSETS			
Capitalisation Reserves			
Opening balance		215 132 156	158 485 537
Transfers:		83 015 966	56 644 414
Movement in Equity		83 019 096	56 647 512
Other movements		(3 130)	(3 098)
Closing balance		298 148 122	215 129 951
Recoverable revenue			
Opening balance		2 066 304	2 491 690
Transfers		(547 148)	(429 046)
Irrecoverable amounts written off		(44 173)	(42 180)
Debts revised		(247 901)	(105 197)
Debts recovered (included in departmental receipts)		(240 735)	(715 732)
Debts raised		(14 339)	434 063
Closing balance		1 519 156	2 062 644
Retained funds			
Opening balance		(2 977 143 407)	(2 530 709 417)
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		203 853	(66 528)
Utilised during the year		2 909 062	63 144
Other		(641 009 848)	(435 083 578)
Closing balance		(3 615 040 340)	(2 965 796 378)
Revaluation Reserves			
Opening balance			
Transfer		73 447	-
Other		(115 299)	73 447
Closing balance		(41 852)	73 447
TOTAL		(3 315 414 914)	(2 748 530 336)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS DISCLOSED BY THE NATIONAL REVENUE FUND			
		1 253 756 239	1 357 404 319
Revenue collected by SARS		1 200 333 015	1 317 627 217
Departmental Revenue collected		37 164 805	25 882 042
CARA Receipts		85 835	159 642
Surrenders from departments		11 681 545	9 287 912
Other revenue received by the revenue fund		4 491 039	4 447 507
RECEIPTS DISCLOSED BY NATIONAL DEPARTMENTS			
		12 117 959	14 561 152
Departmental revenue received		3 301 091	4 358 919
Interest received		6 693 702	8 404 766
Aid assistance received		2 123 166	1 797 467
PAYMENTS DISCLOSED BY THE NATIONAL REVENUE FUND			
		849 825 44	755 951 203
Statutory Appropriation		849 674 237	755 431 030
CARA Payments		150 699	147 472
Other		511	372 702
Net (increase)/ decrease in working capital		1 784 994	(15 393 794)
Surrendered to Revenue Fund		(22 944 732)	(21 103 367)
Surrendered to RDP Fund/Donor		(404 756)	(300 712)
Current payments		(247 310 385)	(224 350 261)
Interest paid		(170 789)	(157 956)
Payments for financial assets		(88 985 706)	(64 546 821)
Transfers and subsidies paid		(670 513 394)	(651 954 256)
Net cash flow available from operating activities	24	(612 496 017)	(361 792 899)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		319 114	706 827
Payments for capital assets		(12 806 669)	(12 499 607)
Proceeds from sale of capital assets		124 150	109 857
(Increase)/ decrease in loans		209 133	4 753
(Increase)/ decrease in investments		(83 019 097)	(56 650 001)
(Increase)/ decrease in other financial assets		(2 346)	2 833
(Increase)/ decrease in non-current receivables		(274 121)	365 420
Net cash flows from investing activities		(95 449 836)	(67 959 918)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		82 353 519	56 306 009
Increase/ (decrease) in non-current payables		32 396	(233 789)
Increase/ (decrease) in borrowings		696 166 254	396 059 369
Net cash flows from financing activities		778 552 169	452 131 589
Net increase/ (decrease) in cash and cash equivalents		70 606 316	22 378 772
Cash and cash equivalents at beginning of period		251 564 517	228 872 592
Unrealised gains and losses within cash and cash equivalents		288 233	(5 756)
Cash and cash equivalents at end of period	25	322 459 066	251 245 608

ACCOUNTING POLICIES

For the year ended 31 March 2021

1. Presentation of the Financial Statements

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

All departments are controlled by Government. These consolidated financial statements include the financial results of the departments and Parliament.

Government Departments apply uniform accounting policies as prescribed by the National Treasury except to the extent that a department has requested a deviation from the National Treasury.

Departmental revenue is collected by SARS and directly deposited into the National Revenue Fund which forms part of the overall consolidation revenue, and is accounted for on a modified cash basis.

1.1 Basis of preparation

The Consolidated Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Under this basis, the revaluation of foreign and domestic investments and loans are also recognised.

Inter-departmental prepayment advances and payables and inter-entity transactions and balances between the departments and the National Revenue Fund (NRF) are eliminated. However, PAYE is not eliminated as it is not considered as an interdepartmental transaction. VAT is also not eliminated as government does not pay VAT directly to the NRF and government is not a VAT vendor. National Revenue Fund only

recognised material provisions that will result in the potential cash outflow to government.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the departments.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Revenue

Appropriated funds include equitable share and conditional grants to entities in terms of an Act of Parliament / Province. Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total funds appropriated during the financial year are represented in the Statement of Financial Performance.

The net amount of surrenders consists of unexpended appropriated funds which are surrendered to the National Revenue Fund less amounts exceeding the approved statutory appropriation. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as receivables in the Statement of Financial Position and exceeding of approved statutory appropriation are recognised as a payable in the Statement of Financial Position.

1.5.1 Revenue from taxes, levies and duties

Taxpayer-assessed revenues are recognised when funds are received by South African Revenue Services (SARS). Cash in transit or over remitted as at 31 March by the SARS is included in

ACCOUNTING POLICIES

For the year ended 31 March 2020

the Statement of Financial Position as other receivables/payables.

All transfers, duties, fees and other monies collected by the South African Revenue Services (SARS) for a province are deposited into the national revenue fund and then transferred to the respective provincial revenue fund are recognised when instructed by SARS.

1.5.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National Revenue Fund, unless otherwise stated. Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position. No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the note to the annual financial statements. Departmental revenue includes the following:

1.5.2.1 Sales of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the departments. Revenue is recognised in the Statement of Financial Performance on receipt of the funds by departments.

1.5.2.2 Fines, penalties & forfeits

Fines penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the Statement of Financial Performance on receipt of the funds from the departments.

1.5.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received from the departments.

1.5.2.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received from departments.

1.5.2.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the

statement of financial performance on receipt of the funds from departments.

Forex gains and losses are recognised on settlement of loans.

1.5.2.6 Transfers received

Transfers received include transfers from universities and technikons, foreign governments, international organisations, public corporations and private enterprises, households and non-profit institutions and other governmental units. Revenue is recognised in the Statement of Financial Performance on receipt of the funds from the departments.

1.5.3 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance on receipts of the funds from the departments. Amounts in transit are recognised as a receivable at the reporting date.

1.5.4 CARA receipts

Funds received derived from the execution of confiscation and forfeiture orders contemplated, in accordance with section 64 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts are recognised by the revenue fund in the Statement of Financial Performance when the cash is received.

1.5.5 Aid assistance

Aid assistance is recognised as revenue when received. All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

ACCOUNTING POLICIES

For the year ended 31 March 2021

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

1.5.6 Direct exchequer receipts

This includes revenue fund receipts. Revenue is recognised when the cash is received. This revenue represents receipts other than departmental receipts that are not expected to occur frequently. These items are not included in departmental revenue as they are inclined to distort comparative analysis of the revenue figures. Amounts received by revenue funds are recognised in the Statement of Financial Performance.

1.6 Expenditure

1.6.1 Appropriated funds

Appropriated funds include annual appropriation, statutory appropriation, conditional grant and own funds appropriated to entities in terms of an Act of Parliament / Provincial Legislature. Appropriated funds are recognised in the financial records when approved by Parliament.

Unexpended appropriations surrenders by departments are recognised at financial year-end in the Statement of Financial Position. Expenses incurred where the funds have not been requested against the appropriation are reflected as expenditure.

1.6.2 Compensation of employees

1.6.2.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the accounting system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

1.6.2.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

1.6.3 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently, R5,000). All other expenditures are classified as current. Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

1.6.4 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the accounting system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

1.6.5 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the notes to the financial statements amounts.

ACCOUNTING POLICIES

For the year ended 31 March 2020

All other losses are recognised when authorisation has been granted for the recognition thereof.

1.6.6 CARA payments

Funds are transferred to departments, when approved by Cabinet, in accordance with section 65 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts transferred by the revenue fund are recognised in the Statement of Financial Performance when approved by Cabinet.

1.6.7 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.6.8 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

1.6.9 Revaluation gains/(losses)

Foreign liabilities, foreign investments and Multilateral Institutions liabilities are re-valued at the closing exchange rate on 31 March. Associated gains and losses are recognised in the Statement of Financial Performance. Gains and losses due to the revaluation of inflation-linked bonds are also included in the Statement of Financial Performance.

1.6.10 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

1.6.11 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.6.12 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

1.6.13 Direct exchequer payments

This includes revenue fund payments. Expenditure is recognised when funds are transferred to the departments. Expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the departments and therefore are not expected to occur frequently. Amounts transferred by revenue funds are recognised in the Statement of Financial Performance when transferred to the departments.

1.6.14 Other expenditure and RDP Funds due prior to Amendment Act no. 79 of 1998

Expenditure is recognised when payment becomes payable.

ACCOUNTING POLICIES

For the year ended 31 March 2021

1.7 Assets

1.7.1 Cash and cash equivalents

Domestic cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

Foreign cash and cash equivalents are carried in the statement of financial position at the closing rate of 31 March. Gains and losses on revaluation are recognised in the statement of financial performance.

1.7.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

1.7.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

1.7.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the notes.

1.7.5 Other receivables

The net of profits and losses arising from exchange forward cover provided by the South African Reserve Bank; including the periodic revaluation of the Reserve Bank's foreign exchange reserves, foreign loans and gold reserves are included in other receivables.

1.7.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the notes.

1.7.7 Settlement period of assets and liabilities

1.7.7.1 Current and Non-Current Assets

This represents domestic and foreign assets and should be classified as a current asset, when it:

- Is expected to be realised in, or is held for sale or consumption in the normal course of the operating cycle; or
- Is held primarily for trading purposes or for the short-term and expected to be realised within 12 months of the reporting date; or
- Is a Cash and cash equivalent asset.

All other assets with a remaining term longer than one year are classified as non-current assets.

1.7.7.2 Current and Non-Current Liabilities

This represents domestic and foreign liabilities and should be classified as a current liability, when it:

- Is expected to be settled in the normal course of the entity's operating cycle; or
- Is due to be settled within twelve months of the reporting date.

All other liabilities with a remaining term longer than one year are classified as non-current liabilities.

1.7.8 Investments

Domestic investments are recognised and measured at face value in the Statement of Financial Position.

Foreign investments represent South Africa's membership/shareholding in the African Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency. These investments are initially recognised at face value (i.e. the issue price) and are subsequently revalued using the closing exchange rate at 31 March.

ACCOUNTING POLICIES

For the year ended 31 March 2020

The International Monetary Fund (IMF) quota represents South Africa's membership subscription to the IMF. The investment is denominated in special drawing rights (SDR) and is recognised in the Statement of Financial Position in Rand, converted at the closing SDR exchange rate published by the IMF as at 31 March.

Any gains and or losses on the revaluation of investments and financial liabilities are recognised in the Statement of Financial Performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the notes.

1.7.9 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using either the weighted average cost or FIFO cost formula.

1.7.10 Capital assets

Disclosure

Additions to Capital Assets are disclosed as expenditure in the statement of financial performance and in the notes on Capital Assets.

1.7.10.1 Movable assets

Initial recognition

"A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1."

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

Age analysis of on-going capital projects is disclosed when requested by auditors in 2017/18 financial year.

1.7.10.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

1.7.10.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where the fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to April 2002 can be included in the asset register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

1.8 Liabilities

1.8.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

ACCOUNTING POLICIES

For the year ended 31 March 2021

1.8.2 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

1.8.3 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

1.8.4 Contingent liabilities

Contingent liabilities are included in the notes to the financial statements when it is possible that economic benefits will flow from the department, or the national revenue fund, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

1.8.5 Contingent assets

Contingent assets are included in the notes to the financial statements when it is probable that an inflow of economic benefits will flow to the National revenue fund. Contingent assets include the Gold and Foreign Exchange Contingency Reserve Account that is initially measured at cost as it does not have a fixed maturity date, and is subsequently revalued with the profits and losses incurred on gold and foreign exchange transactions.

1.8.6 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

1.8.7 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements.

These amounts are not recognised in the statement of financial performance or the statement of financial position.

1.8.8 Provisions

Provisions are disclosed in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

1.8.9 Multilateral Institutions

The callable portions of South Africa's subscription in the African Development bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency are recognised as a financial liability and are initially measured at face value (i.e. the issue price) and are subsequently revalued using the closing exchange rate at 31 March.

1.9 Borrowings

1.9.1 Domestic Borrowings

Domestic current borrowings consist mainly of Treasury bills with a term-to-maturity varying between 91 to 365 days. Treasury bills are recognised at face value.

Domestic non-current borrowings consist of fixed-income-, inflation-linked-, floating rate-, retail- and zero coupon bonds. All these instruments except for inflation-linked- and zero coupon bonds are recognised at face value. Inflation-linked bonds and zero coupon bonds are recognised at transaction amount. Inflation-linked bonds have been revalued using the relevant "reference CPI" at year end (settlement value). Zero coupon bonds are recognised at amortised costs.

The face value and / or settlement value represents the amount that will be paid to the bond holder at maturity of the instrument.

1.9.2 Foreign Loans and Bonds

Foreign loans and bonds are initially recognised at face value and subsequently revalued to rand using the closing exchange rates as at 31 March. Foreign loans are not hedged against foreign currency movements.

ACCOUNTING POLICIES

For the year ended 31 March 2020

1.10 Foreign loans

Foreign loans are uncovered and converted to rand using the closing exchange rates as at 31 March.

1.11 Net Assets

1.11.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

1.11.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

1.12 Related party transactions

Specific information with regards to related party transactions is included in the notes.

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and their full compensation is recorded in the notes to the financial statements.

1.13 Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

1.14 Public private partnerships

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

Performs an institutional function on behalf of the institution; and/or

- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - consideration to be paid by the department which derives from a Revenue Fund;
 - charges fees to be collected by the private party from users or customers of a service provided to them; or
 - a combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the notes.

1.15 Restatements and adjustments

Where necessary amounts included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.16 Events after the reporting date

Subsequent events that are both favourable and unfavourable which occurred between the reporting date and the date when the financial statements are authorised for issue, are included as a note to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
2	Revenue from Taxes, levies and Duties		
	Taxation		
	Income tax	718 183 803	772 684 785
	Value-added tax / Sales tax	331 196 848	346 760 767
	Fuel levy	71 837 171	75 406 845
	Customs duties	46 333 356	54 380 105
	Excise duties	34 154 986	48 513 717
	Skills Development Levy	12 250 229	18 486 280
	Environmental levy	11 069 424	10 681 065
	Transfer duties	7 606 047	7 119 627
	Securities transfer tax	5 422 275	6 240 209
	Road accident fund recoupment	3 665 644	4 768 315
	Southern African Customs Union member duties	2 460 570	3 485 353
	Estate duty	2 316 293	2 047 843
	Health promotion levy	2 113 606	2 512 790
	Other taxation revenue	907 433	867 500
	Air Passenger tax	138 465	1 068 258
	State miscellaneous revenue	58 461	742 798
	Total Taxation	1 249 714 611	1 355 766 257
	Non-taxation revenue		
	Road accident fund levy	40 628 194	42 755 355
	Unemployment Insurance Fund (UIF)	18 395 499	20 100 561
	Mineral and petroleum resource royalty	14 227 647	11 830 241
	Other non-taxation revenue	(105 789)	(25 130)
	Total Non-taxation	73 145 551	74 661 027
	Total Gross Revenue	1 322 860 162	1 430 427 284
	Less		
	South African Customs Union Agreement	63 395 241	50 280 312
	Payment i.t.o sec 12(3) of the PFMA	-	58
	Payment to UIF	16 714 800	18 204 772
	Payable by SARS to UIF	1 680 699	1 895 789
	Payment to RAF	40 559 570	42 632 836
	Payable by SARS to RAF	(53 895)	(413 967)
	Total	122 296 415	112 599 800
	Total Net Revenue for the Year	1 200 563 747	1 317 827 484
3	Departmental Revenue		
	NRF receipts	25 766 540	12 801 334
	Sales of goods and services other than capital assets	1 520 356	2 699 578
	Fines, penalties and forfeits	354 206	360 757
	Interest, dividends and rent on land	7 001 249	9 174 543
	Sales of capital assets	131 839	120 875
	Transactions in financial assets and liabilities	929 804	1 282 677
	Transfer received	427 171	370 823
	Total	36 131 165	26 810 587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
4	Other Revenue		
	Surrenders	2 688 913	2 807 501
	Other revenue received	1 802 126	1 640 006
	Total	4 491 039	4 447 507
5	5.1 Aid assistance		
	Opening Balance	533 750	451 410
	Prior period error	-	-
	As restated	533 750	451 410
	Transferred from statement of financial performance	246 645	443 897
	Transferred to/from retained funds	35 289	(46 170)
	Paid during the year	(404 756)	(315 387)
	Closing Balance	410 928	533 750
	5.2 Analysis of balance by source		
	Aid assistance from RDP	85 832	348 526
	Aid assistance from other sources	293 001	172 075
	CARA	32 095	13 149
	Closing Balance	410 928	533 750
	Analysis of Balance		
	Aid assistance receivable	(93 939)	(60 152)
	Aid assistance unutilised	252 927	187 462
	Aid assistance repayable	251 940	406 440
	Closing Balance	410 928	533 750
	Aid assistance prepayments (expensed)		
	5.2.1 Opening balance		
	Goods and services	54 657	23 730
	Transfers and subsidies	49 185	16 211
	Closing Balance	103 842	39 941
	Less: Received in the current year		
	Goods and services	267 361	96 322
	Transfers and subsidies	(52 715)	(5 293)
	Closing balance	214 646	91 029
	Goods and services	(54 657)	(14 305)
	Closing Balance	(54 657)	(14 305)
	Add: Current Year prepayments		
	Goods and services	(148 842)	(51 090)
	Transfers and subsidies	188 808	38 267
	Closing balance	39 966	(12 823)
	Closing balance		
	Goods and services	118 519	54 657
	Transfers and subsidies	185 278	49 185
	Closing balance	303 797	103 842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
6	Appropriated funds		
	Annual appropriation	(21 533 971)	4 018 867
	Statutory appropriation	854 507 629	754 569 278
	Total appropriation	832 973 658	758 588 145
7	Compensation of employees		
	Salaries and Wages		
	Basic Salary	115 251 666	111 254 581
	Performance Award	232 763	644 498
	Service Based	561 601	710 224
	Compensative/circumstantial	8 084 990	7 617 690
	Periodic Payments	183 720	183 906
	Other non-pensionable allowances	22 873 340	21 248 685
	Total	147 188 080	141 659 584
	Social Contributions		
	Employer contributions		
	Pension	16 713 350	16 281 256
	Medical	12 785 809	11 780 596
	UIF	2 447	2 366
	Bargaining Council	13 215	11 300
	Official unions and associations	18 151	14 766
	Insurance	21 470	15 589
	Total	29 554 442	28 105 873
	Total compensation of employees	176 742 522	169 765 457
	Average number of employees	397 356	390 183

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
8	Goods and services		
	Administrative fees	585 212	519 720
	Advertising	401 817	336 136
	Minor assets	8.1 613 258	320 416
	Bursaries (employees)	73 745	58 571
	Catering	74 498	262 473
	Communication	1 306 822	1 192 627
	Computer services	8.2 7 262 809	7 028 558
	Consultants, contractors and outsourced services	4 108 200	4 293 510
	Infrastructure and planning services	134 392	260 369
	Laboratory services	95 003	79 582
	Scientific and technological services	891 056	923 636
	Legal services	918 773	1 011 698
	Contractors	6 630 090	6 943 610
	Agency and support / Outsourced services	4 336 667	5 175 515
	Entertainment	4 337	12 879
	Audit cost – external	8.3 510 414	544 566
	Fleet services	4 324 227	5 008 731
	Inventory	8.4 9 076 162	6 147 546
	Consumables	8.5 3 761 456	3 167 422
	Operating leases	11 937 038	10 232 634
	Property payments	8.6 6 859 900	6 458 948
	Rental and hiring	101 864	68 877
	Transport provided part of departmental activities	54 687	51 604
	Travel and subsistence	8.7 2 984 771	5 697 978
	Venues and facilities	122 910	353 585
	Training and staff development	822 540	1 405 659
	Other operating expenditure	8.8 1 477 620	1 449 417
	Total	69 470 268	69 006 267
8.1	Minor Assets		
	Tangible assets	576 111	312 126
	Buildings and other fixed structures	341	92
	Biological assets	2 453	1 059
	Machinery and equipment	571 102	309 969
	Transport assets	49	245
	Specialised military assets	2 166	761
	Intangible assets	37 147	8 290
	Software	37 147	8 253
	Patents, licenses, copyright, brand names, trademarks	-	37
	Total	613 258	320 416
8.2	Computer services		
	SITA computer services	3 538 346	3 728 055
	External computer service providers	3 724 463	3 300 503
	Total	7 262 809	7 028 558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
8.3	Audit cost – external		
	Regularity audits	469 496	509 322
	Performance audits	655	222
	Investigations	26 092	16 844
	Environmental audits	1 993	2 759
	Computer audits	12 178	15 419
	Total	510 414	544 566
8.4	Inventory		
	Clothing material and accessories	620 291	383 988
	Farming supplies	568 593	196 076
	Food and food supplies	2 362 740	2 164 741
	Fuel, oil and gas	512 865	799 801
	Learning and teaching support material	1 027 733	1 048 339
	Materials and supplies	134 966	160 375
	Medical supplies	1 167 771	117 466
	Medicine	807 119	284 109
	Other supplies	1 874 084	992 651
	Total	9 076 162	6 147 546
8.4.1	Other Supplies		
	Ammunition and security supplies	54 803	68 271
	Assets for distribution	389 798	235 803
	Machinery and equipment ⁹	48 007	-
	Sports furniture	69 240	74 311
	Sports and recreation	18 108	9 032
	Library materials	-	495
	Other assets for distribution	254 443	151 965
	Other	1 429 483	688 577
	Total	1 874 084	992 651
8.5	Consumables		
	Consumable supplies	2 856 264	1 440 860
	Uniform and clothing	170 257	377 934
	Household supplies	1 133 112	470 396
	Building material and supplies	66 995	52 039
	Communication accessories	750	1 689
	IT consumables	91 243	76 132
	Other consumables	1 393 907	462 670
	Stationery, printing and office supplies	905 192	1 726 562
	Total	3 761 456	3 167 422

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
8.6	Property payments		
	Municipal services	4 271 354	4 426 650
	Property management fees	581 846	395 364
	Property maintenance and repairs	414 335	418 684
	Other	1 592 365	1 218 251
	Total	6 859 900	6 458 948
8.7	Travel and subsistence		
	Local	2 764 341	4 947 054
	Foreign	220 430	750 924
	Total	2 984 771	5 697 978
8.8	Other operating expenditure		
	Professional bodies, membership and subscription fees	174 014	103 442
	Resettlement costs	97 865	137 614
	Other	1 205 741	1 208 361
	Total	1 477 620	1 449 417
9	Interest and Rent on Land		
	Interest expense	170 789	157 956
	Rent on land	39 908	32 457
	Total interest and rent on land	210 697	190 413

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
10 Expenditure on capital assets			
10.1 Tangible assets		12 411 772	12 049 639
Buildings and other fixed structures		7 262 029	6 915 111
Heritage assets		69 931	39 834
Machinery and equipment		4 765 356	4 557 850
Specialised military assets		282 148	532 379
Land and subsoil assets		27 191	-
Biological assets		5 117	4 465
10.2 Software and other intangible assets		394 897	449 968
Computer software		394 897	445 562
Patents, licences, copyright, brand names, trademarks		-	4 406
Total		12 806 669	12 499 607
Compensation for capital expenditure			
Compensation of employees		9 676	-
Goods and services		14 414	-
Total		24 090	-
Analysis of funds utilised to acquire capital assets			
Tangible assets			
Voted Funds		12 395 284	12 005 970
Buildings and other fixed structures		7 258 089	6 914 945
Heritage assets		69 875	39 745
Machinery and equipment		4 752 864	4 514 436
Specialised military assets		282 148	532 379
Land and subsoil assets		27 191	-
Biological assets		5 117	4 465
Aid assistance		16 488	43 669
Buildings and other fixed structures		3 940	166
Machinery and equipment		12 548	43 503
TOTAL		12 411 772	12 049 639
Software and other intangible assets			
Voted Funds		394 889	449 607
Computer software		381 380	449 607
Patents, licences, copyright, brand names, trademarks		13 509	-
Aid assistance		8	361
Computer software		8	361
TOTAL		394 897	449 968
10.3 Finance lease expenditure included in expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures		465 777	446 578
Machinery and equipment		491 952	461 556
Total		957 729	908 134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
11	Transfers and subsidies		
	Provinces and municipalities	231 404 398	213 534 547
	Departments agencies and accounts	128 475 219	162 380 244
	Higher education institutions	43 329 215	42 363 386
	Foreign governments and international organisations	2 227 123	2 380 264
	Public corporations and private enterprises	26 775 292	22 975 563
	Non-profit institutions	8 084 463	8 236 217
	Households	230 166 798	199 726 732
	Total	670 462 508	651 596 953
12	Other financial assets		
	Current		
	Local		
	Total	-	-
	Foreign		
	DIRCO: Rental deposits	20 609	19 687
	Trade and industry: Rental deposits	877	507
	Total	21 486	20 194
	Total Current other financial assets	21 486	20 194
	Non-current		
	Local		
	Municipality deposit	100	100
	Total	100	100
	Foreign		
	Rental deposits	69 562	68 508
	Total	69 562	68 508
	Total Non-Current other financial assets	69 662	68 608
13	Payments for financial assets		
	Material losses through criminal conduct	6 111	91
	Theft	13	91
	Other material losses	6 098	-
	Purchase of equity	80 019 095	56 650 000
	Extension of loans policy purposes	8 613 037	7 485 624
	Other materials losses written off	28 652	36 870
	Debt written off	230 137	321 522
	Forex losses	88 674	52 714
	Total	88 985 706	64 546 821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
14	Cash and Cash equivalents		
	Consolidated Paymaster General Account	31 568 650	17 571 144
	Cash receipts	85	450
	Disbursements	(60 840)	(4 553)
	Cash on hand	175 221 455	35 983 920
	Investments (Domestic)	475 332	704 318
	Investments (International)	98 782	299 505
	Cash with SARB	41 157 404	67 157 404
	Foreign Currency Investment	93 263 486	148 196 375
	Other	539 721	491 256
	Total Cash and cash equivalents	342 264 076	270 399 819
15	Prepayments and Advances		
	Staff advances	1 541	15 601
	Travel and subsistence	123 317	163 829
	Prepayments (Not expensed)	15.2 240 186	351 785
	Advances paid (Not expensed)	15.1 1 436 809	999 316
	SOCPEN advances	-	2 146
	Total	1 801 853	1 532 677
15.1	Advances paid (Not expensed)		
	Balance at the beginning of the year		
	National departments	211 623	269 878
	Provincial departments	224 966	52 657
	Public entities	619 689	270 798
	Other institutions	154 972	169 007
	Total	1 211 250	762 340
	Less: Amount expensed in current year		
	National departments	(386 343)	(878 687)
	Provincial departments	(115 213)	(8 400)
	Public departments	(1 309 923)	(781 162)
	Other institutions	(1 013 635)	(1 198 966)
	Total	(2 825 114)	(2 867 215)
	Add/Less: Other		
	National departments	130 691	(4 412)
	Provincial departments	(464)	(348)
	Public entities	-	-
	Other institutions	(14 330)	(132 580)
	Total	115 897	(137 340)
	Add: Current year advances		
	National departments	476 161	824 240
	Provincial departments	15 000	181 057
	Public entities	1 045 512	1 130 053
	Other institutions	1 568 590	1 317 511
	Total	3 105 263	3 452 861
	Closing Balance at Year End		
	National departments	261 645	(312)
	Provincial departments	124 289	224 966
	Public entities	355 278	619 689
	Other institutions	695 597	154 972
	Total	1 436 809	999 316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
15.2 Prepayments (Not expensed)			
Balance at the Beginning of the Year			
<i>Listed by economic classification</i>			
Goods and services		343 990	220 972
Transfers and subsidies		68 877	10 237
Capital assets		3 734	-
Other		973	538
Total		417 574	231 747
Less: Amount expensed in current year			
<i>Listed by economic classification</i>			
Goods and services		(801 173)	(887 284)
Transfers and subsidies		(264 396)	(251 169)
Capital assets		(22 489)	-
Other		(973)	-
Total		(1 089 031)	(1 138 453)
Add/Less: Other			
<i>Listed by economic classification</i>			
Goods and services		51 911	13 143
Total		51 911	13 143
Add: Current year payments			
<i>Listed by economic classification</i>			
Goods and services		635 793	931 370
Transfers and subsidies		195 608	309 809
Capital assets		26 738	3 734
Other		1 593	435
Total		859 732	1 245 348
Closing Balance at Year End			
<i>Listed by economic classification</i>			
Goods and services		230 521	278 201
Transfers and subsidies		89	68 877
Capital assets		7 983	3 734
Other		1 593	973
Total		240 186	351 785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

<i>Notes</i>	2020/21 R'000	2019/20 R'000
15.3 Prepayments (Expensed)		
Balance at the Beginning of the Year		
<i>Listed by economic classification</i>		
Goods and services	1 009 536	1 406 071
Interest and rent on land	-	3
Transfers and subsidies	33 263	25 113
Capital assets	126 164	182 925
Total	1 168 963	1 614 112
Less: Received in the current year		
<i>Listed by economic classification</i>		
Goods and services	(1 763 147)	(1 916 677)
Interest and rent on land	-	(3)
Transfers and subsidies	(3)	(25 113)
Capital assets	(123 773)	(186 931)
Total	(1 886 923)	(2 128 724)
Add/Less: Other		
<i>Listed by economic classification</i>		
Goods and services	12 250	9 082
Capital assets	1 003	(1 185)
Total	13 253	7 897
Add: Current Year prepayments		
<i>Listed by economic classification</i>		
Goods and services	1 661 088	1 511 060
Interest and rent on land	-	3
Transfers and subsidies	411	33 260
Capital assets	41 774	131 355
Total	1 703 273	1 675 678
Closing Balance at Year End		
<i>Listed by economic classification</i>		
Goods and services	919 727	1 009 536
Interest and rent on land	-	3
Transfers and subsidies	33 671	33 260
Capital assets	45 168	126 164
Total	998 566	1 168 963

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
15.4 Advances paid (Expensed)			
Balance at the Beginning of the Year			
National departments		302 933	132 601
Provincial departments		10 376	29 889
Public entities		4 176 338	3 559 025
Other institutions		107 135	28 360
Total		4 596 782	3 749 875
Less: Received in the current year			
National departments		4 800	(59 958)
Provincial departments		161	5 472
Public entities		(1 624 200)	(1 138 812)
Other institutions		60 304	6 891
Total		(1 558 935)	(1 186 407)
Add/Less: Other			
National departments		(822 163)	(158 325)
Provincial departments		(39 566)	(24 985)
Public entities		(97 627)	(21 337)
Other institutions		(61 877)	(420 167)
Total		(1 021 233)	(624 814)
Add: Current Year advances			
National departments		708 351	226 736
Provincial departments		36 500	-
Public entities		2 183 848	1 776 766
Other institutions		75 995	654 848
Total		3 004 694	2 658 350
Closing Balance at Year End			
National departments		193 921	141 054
Provincial departments		7 471	10 376
Public entities		4 638 359	4 175 642
Other institutions		181 557	269 932
Total		5 021 308	4 597 004
16 Receivables			
Claims recoverable	16.1	6 538 714	4 926 449
Trade receivables	16.2	16 240	479 206
Recoverable expenditure	16.3	189 396	163 699
Staff debt	16.4	599 563	591 045
Fruitless and wasteful expenditure	16.6	48 648	37 955
Other receivables	16.5	2 831 589	2 539 990
Voted funds to be surrendered to the Revenue Fund		179 933	322 283
Departmental Revenue to be surrendered to the Revenue Fund		(34 043)	43 889
Other		102 735	92 045
Total		10 472 775	9 196 561

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
Current			
Claims recoverable		5 365 985	3 876 363
Trade receivables		3 887	-
Recoverable expenditure		141 144	467 677
Staff debt		307 331	119 930
Fruitless and wasteful expenditure		39 349	291 916
Other receivables		896 693	29 857
Total Current		6 754 389	4 785 743
Non-current			
Claims recoverable		1 172 729	1 050 086
Recoverable expenditure		12 353	11 529
Staff debt		48 252	43 769
Fruitless and wasteful expenditure		292 232	299 129
Other receivables		9 299	8 098
Total Non-current		1 534 865	1 412 611
16.1 Claims Recoverable			
National departments		2 984 080	2 418 399
Provincial departments		2 010 814	1 625 019
Foreign government		1 763	1 312
Public entities		1 500 545	839 451
Private enterprises		33 246	33 858
Higher education institutions		445	437
Households and non-profit institutions		2 642	2 750
Local governments		5 179	5 223
Total		6 538 714	4 926 449
16.2 Trade receivables			
Trade receivables		16 240	479 206
Total		16 240	479 206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
16.3 Recoverable expenditure			
Disallowance: Damages and losses; Disallowance Payment fraud; and other		94 449	85 570
Salaries; Damaged vehicles; Disallowance: Damages and losses; and other		30 312	28 599
Disallowance: Damages and losses		3 351	2 630
Debts emanating from Service providers; Sal: Deduction Disallowance acc; and other		11 444	10 528
Damaged Vehicles		37 026	26 905
Private telephone account		1 324	1 073
Departmental Suspense Account		11 060	8 290
Salary Deduction Disallowance acc		314	-
Tax debt		116	104
Total		189 396	163 699
16.4 Staff debt			
Salary related debt; Debt Account; In-service debt; and other		413 361	423 437
Out-service debt; Study loans-Students: Administration related debt; Bursary debt; and other		25 161	26 050
Inventory/Property related debt; Motor vehicle accidents; and other		6 678	7 646
Salary overpayment debt; Bursaries; and other		9 133	14 104
Debt Account; Bursary debt; and other		121 773	109 729
Suppliers; Salary Overpayment; and other		10 656	-
Fruitless and Wasteful expenditure; and other		5 920	5 920
Subsidies transport; and other		2 304	693
Other debts		1 317	742
Loss and damages; and other		3 260	2 724
Total		599 563	591 045
16.5 Other debtors			
Disallowance and damages; Municipal and Supplier Debts; Disallowance accounts; and others		116 356	117 611
Bloemfontein Correctional centre; Sal Income tax; External debt; and other		6 623	5 378
Study loans; SASSA Unauthorised Expenditure; Inventory; and other		121 314	121 339
Other debtors; Salary related; Receipt Foreign Claims; and other		48 304	40 381
Salary overpayments; and other		34 577	34 208
Disallowance-Civil and military pensions; and other		10 023	8 365
Disallowance- Special pensions; Suppliers; and other		51 202	48 278
Motor vehicle accidents; and other		16 187	13 773
Estates		2 719	2 523
SASSA Debtors		1 202 739	1 150 038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
Medical claims		1 378	1 365
Private patients		1 210	1 767
UN Service Rendered		681 182	691 206
Aviation Fuel		3 449	2 321
Private institutions		64	142
Damage to state property		149	148
Loss of State money/property		5 710	11 666
UN Reimbursement		12 823	12 282
Armscor Suspense Account		6 817	4 700
Medical United Nations		115	115
Clearing Account		133 328	145 713
Medical embassy		288	411
Sales per Tender		264	265
Armscor Profit/Loss		1 072	18 303
Vat		3 165	3 071
Wrongful Payment		103 628	104 623
NRF		266 903	(2)
Total		2 831 589	2 539 990
16.6 Fruitless and wasteful expenditure			
Opening balance		37 955	56 305
Less amounts recovered		(6 148)	(303)
Less amounts written off		(2 050)	(28 091)
Transfers from note 32 Fruitless and wasteful expenditure		18 689	10 234
Interest		202	(190)
Total		48 648	37 955
16.7 Impairment of receivables			
Estimate of impairment of receivables		3 600 569	3 552 385
Total		3 600 569	3 552 385
17 Loans			
Public corporations		1 367 821	1 368 093
Higher education institutions		5 097	8 227
Private enterprises		-	205 731
Total Loans Balance		1 372 918	1 582 051
Less: Current		4 039	4 094
Total Non-Current		1 368 879	1 577 957

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
Analysis of Total Loans Balance			
Opening balance		1 582 051	1 586 804
New Issues		72	14 508
Repayments		(3 474)	(19 261)
Write-offs		(205 731)	-
Closing balance		1 372 918	1 582 051
18 Investments			
Non-Current Investments			
Foreign		311 021 360	337 860 152
Shares and other equity		296 884 146	213 862 844
Total non-current		607 905 506	551 722 996
Analysis of non-current investments			
Opening balance		213 665 049	157 012 844
Additions in cash		83 019 096	56 650 000
Closing balance		296 684 146	213 662 844
Impairment of Investments			
Estimate of impairment of loans		81 168 267	48 117 605
Total		81 168 267	48 117 605
Number of shares			
International Finance Corporation		132 805	17 418
International Bank for Reconstruction and Development		18 084	17 831
Multilateral Investment Guarantee Agency		1 662	1 662
African Development Bank		330 749	330 749
New Development Bank		82 500	65 000
Special Drawing Rights			
International Monetary Fund Quota-Subscription		3 051 200	3 051 200
International Monetary Fund SDR Holding		1 497 440	1 497 029
Issue price per share			
Foreign:			
<i>Issued in American dollars</i>			
International Finance Corporation		14 797	17 891
International Bank for Reconstruction and Development		1 785 078	2 158 275
Multilateral Investment Guarantee Agency		160 107	193 580
New Development Bank		1 479 735	1 789 095
<i>Issued in unit of account</i>			
African Development Bank		178 508	215 827
Exchange rates as at year end used to convert issue price			
American dollar (USD)		14.80	17.89
Special Drawing Rights (SDR)		20.97	24.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
Agriculture, Land Reform and Rural Development			
Onderstepoort Biological Products Ltd		1	1
		1	1
Communications and Digital Technologies			
Telkom SA Limited		2 070 381	2 070 381
South African Post Office Limited		8 164 116	8 164 116
Sentech (Pty) (Ltd)		2	2
Vodacom Group Limited		3 743	3 743
		10 238 242	10 238 242
Human Settlements			
National Housing Finance Corporation		2 363 635	2 363 635
SERVCON		604	604
		2 364 239	2 364 239
Mineral Resources and Energy			
Nuclear Energy Corporation of South Africa		2 205	2 205
		2 205	2 205
National Treasury			
Development Bank of Southern Africa		200 000	200 000
Public Investment Corporation Limited		1	1
Land Bank		7 397 655	4 397 655
		7 597 656	4 597 656
Public Enterprises			
Alexkor SOC Ltd		400 000	400 000
Denel SOC Ltd		8 552 376	7 976 376
Eskom SOC Ltd		188 000 000	132 000 000
Safcol SOC Ltd		318 013	318 013
Transnet SOC Ltd		12 660 986	12 660 986
South African Express SOC Ltd		2 277 395	2 134 000
South African Airways SOC Ltd		54 483 709	33 508 758
		266 692 479	188 998 133
Defence			
ARMSCOR		75 000	75 000
Special Defence activities		107 164	107 164
		182 164	182 164
Trade, Industry and Competition			
IDC A Shares 1000 000 at cost (100% shareholding)		1 000	1 000
IDC B Share 1 391 969 357 at cost (100% shareholding)		1 391 969	1 391 969
		1 392 969	1 392 969
Transport			
Passenger Rail Agency of South Africa Ltd.		4 248 259	4 248 259
Airports Company Ltd.		2 884 242	559 492
Air Traffic and Navigational Services Company Ltd.		190 646	190 646
S.A. National Roads Agency Ltd.		1 091 044	1 091 044
		8 414 191	6 089 441
Total Investments - Shares and other equity		296 884 146	213 862 844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
19	Bank Overdraft		
	Consolidated Paymaster General Account	19 805 006	18 991 819
	Overdraft with commercial banks (Local)	4	11
		19 805 010	18 991 830
20	Payables		
20.1	Payables- Current		
	Amounts owing to other entities	2 702 151	3 457
	Advances received	676 728	607 790
	Clearing accounts	112 197	58 981
	Other payables	1 530 699	1 214 872
	Voted funds to be transferred	(20 232 326)	(11 346 518)
	Other	1 760 495	2 019 323
	Unauthorised Expenditure NOT funded by Revenue Fund	257 615	258 492
	Total	(13 192 441)	(7 183 603)
20.1.1	Advances received		
	National departments	-	3 256
	Provincial departments	225 439	244 839
	Public entities	450 639	358 083
	Other institutions	650	1 612
	Total	676 728	607 790
20.1.2	Clearing accounts		
	Payables: Advance National Developments; Salary control Account; and other	71 266	52 053
	GRV:8 Suspense; Salary ACB Recall; Salary: Income tax; and other	31 893	381
	Sal: Pension fund; and other	1 463	591
	Salary: GEHS refund control; salary reverse control; Sal: ACB recalls; and other	2 153	341
	Telephone Control Account; Salary government employees housing account; and other	260	-
	Salary: Tax Debt	2 285	1 606
	Disallowance miscellaneous; and other	2 850	2 486
	Salary Reversal	26	17
	ICA Related	1	1 506
	Total	112 197	58 981

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
20.1.3 Other payables			
Salary related; Civil and military pensions; Trust fund to be invested; and other		164 250	114 695
Unspent funds (CSOS); and other		625 841	129 932
GEHS; National Skills Fund; and other		43 047	43 632
DHA Revenue owed to NRF		348 702	384 901
Suppliers		314 210	481 581
Arm Scor contract creditors		34 649	60 131
Total		1 530 699	1 214 872
20.2 Payables-Non-current			
Amounts owing to other entities		522 296	525 866
Advances received		583	883
Other payables		1 131 914	1 095 648
Total		1 654 793	1 622 397
One to two years			
Other payables		9 758	-
Total		9 758	-
Two to three years			
Other payables		21 868	-
Total		21 868	-
More than three years			
Amounts owing to other entities		522 296	-
Advances received		583	-
Other payables		1 100 288	-
Total		1 623 167	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
20.2.1	Advances received		
	National departments	-	297
	Provincial departments	212	212
	Public entities	371	374
	Total	583	883
20.2.2	Advances received		
	Payable adv; For & int org adv acc; SOC DEV; SASSA	9 714	8 850
	Debt Receivable income; Salary related	1 000 502	974 132
	Debt Receivable interest; State Guarantees	117 712	108 795
	Salaries and Suppliers	115	-
	HW SETA; Unallocated Credits	3 871	3 871
	Total	1 131 914	1 095 648
21	Borrowings		
	Current		
	Domestic	512 352 196	413 780 114
	Foreign	4 015 517	14 666 449
	Total Current Borrowings	516 367 713	428 446 563
21.1	Domestic short-term bonds, debentures and other loans		
	Debt as at 1 April	53 057 774	32 212 012
	Created	4 891 996	(8 423 090)
	Reduced	(57 949 770)	(23 788 921)
	Transfer from long-term	56 301 955	53 057 774
	Treasury bills	456 043 275	333 433 015
	Other Loans	6 966	27 289 324
	Total	512 352 196	413 780 114
21.1.1	Composition of short-term bonds, treasury and other loans		
	Composition of short-term bonds, treasury bills and other loans		
	1-day Treasury bills	72 585	72 585
	91-day Treasury bills	15 334 900	10 601 550
	182-day Treasury bills	70 980 300	57 367 800
	273-day Treasury bills	154 146 890	109 293 400
	365-day Treasury bills	215 508 600	156 097 680
	CPD borrowing	-	27 282 358
	Fixed-rate bonds	55 089 692	48 964 709
	Retail bonds	1 212 263	4 093 065
	Other	6 966	6 966
	Total	512 352 196	413 780 114
21.2	Foreign short-term bonds, debentures and other loans		
	Debt as at 1 April	7 960 585	26 952 291
	Created	-	-
	Reduced	(7 960 585)	(26 952 291)
	Transfer from long-term	1 995 428	7 960 585
	Revaluation of foreign loans	2 020 089	6 705 864
	Total	4 015 517	14 666 449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
22	Non-current Borrowings		
	Long Term		
	Domestic	3 030 914 202	2 460 337 455
	Foreign	388 418 838	372 558 203
	Total Long-Term Borrowings	3 419 333 040	2 832 895 658
	Domestic long-term bonds, debentures and other loans		
22.1	Debt as at 1 April	2 305 196 734	2 008 595 925
	Created	602 998 667	349 658 583
	Reduced	-	-
	Transfer to short-term	(36 442 124)	(53 057 774)
	Revaluation premium on inflation-linked bonds	159 122 056	155 101 854
	Former Regional Authorities	38 867	38 867
	Total	3 030 914 202	2 460 337 455
	Composition of long-term bonds and other loans		
22.1.1	Fixed-rate bonds	2 283 672 537	1 802 092 302
	Inflation-linked bonds	732 164 384	650 221 496
	Retail bonds	15 038 414	7 984 790
	Other	38 867	38 867
		3 030 914 202	2 460 337 455
22.1.2	Redemption Analysis		
	Financial year(s)		
	2021-2024	138 970 767	178 576 129
	2024-2027	428 894 756	249 616 170
	2027-2030	502 742 471	257 202 091
	2030-2033	321 109 449	431 746 539
	2033-2037	627 649 359	363 884 266
	2037-2040	231 905 406	326 139 951
	2040-2043	151 719 427	144 387 427
	2043-2047	309 640 637	249 985 361
	2047-2050	280 347 539	228 194 200
	2050-2053	37 895 525	30 566 454
		3 030 875 335	2 460 298 588

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
22.1 Foreign long-term bonds and other loans			
Debt as at 1 April		260 487 312	192 395 898
Created		91 919 747	76 052 000
Reduced		-	-
Transfer to short-term		(1 995 428)	(7 960 586)
Revaluation premium on inflation-linked bonds		38 007 207	112 070 891
		388 418 838	372 558 203
22.1.2 Redemption analysis			
Financial years(s)			
2021-2024		36 993 375	22 838 435
2024-2027		120 757 712	62 618 325
2027-2030		73 986 750	85 828 255
2030-2033		20 716 290	60 829 230
2040-2043		16 106 176	13 418 213
2043-2047		29 594 700	35 781 900
2047-2050		90 263 835	91 243 845
		388 418 838	372 558 203
22.2.2 Currency analysis			
South African Rand		5 008 164	-
Euro		8 679 755	9 791 287
Japanese yen		-	4 947 486
Special Drawing Rights		63 986 569	-
United States dollar		310 744 350	357 819 430
		388 418 838	372 558 203
23 LIABILITIES IN MULTI-LATERAL INSTITUTIONS			
IMF- Securities Account		114 298 475	68 179 342
IMF- SDR Allocations		55 008 973	66 509 395
International Bank for Reconstruction and Development		97 662 510	93 032 940
Multilateral Investment Guarantee Agency		37 441 855	43 595 499
African Development Bank		30 316 748	36 168 816
New Development Bank		215 584	260 655
Total Multi-lateral Institutions		334 944 145	307 746 647

These liabilities in multi-lateral institutions are revalued at closing exchange rate as at 31 March.

23.1 INTERNATIONAL MONETARY FUND- SECURITIES ACCOUNT	114 298 475	68 179 342
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This commitment represents the balance of securities in the International Monetary Fund's (IMF) General Resources Account held with the South African Reserve Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
23.2 AFRICAN DEVELOPMENT BANK		30 316 748	36 168 816
<p>This commitment represents the callable portion of a country's subscription available to the African Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.</p>			
23.3 NEW DEVELOPMENT BANK		215 584	260 655
<p>This commitment represents the callable portion of a country's subscription available to New Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.</p>			
23.4 IMF-SDR Allocations		55 008 973	66 509 395
<p>The special drawing rights deposit at the South African Reserve Bank is the Rand equivalent of South Africa's special drawing right liability towards the International Monetary Fund, in terms of the Finance and Financial Adjustments Acts, Consolidation Act 11 of 1977.</p>			
23.5 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT		97 662 510	93 032 940
<p>This commitment represents the callable portion of a country's subscription available to the International Bank for Reconstruction and Development (IBRD) to meet its obligations for funds borrowed or loans guaranteed by it.</p>			
23.6 MULTI-LATERAL INVESTMENT GUARANTEE AGENCY		37 441 855	43 595 499
<p>This commitment represents the callable portion of country's subscription available to the Multilateral Investment Guarantee Agency (MIGA) to meet its obligations on foreign investment guarantees to investors that are planning investments in developing member countries</p>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
24	Net cash flow available from operating activities		
	Net surplus/(deficit) as per Statement of Financial Performance	(642 454 209)	(449 504 160)
	Add back non cash/cash movements not deemed operating activities	29 958 192	88 156 115
	(Increase)/decrease in receivables – current	10 417 856	(9 509 656)
	(Increase)/decrease in prepayments and advances	(161 756)	(600 783)
	(Increase)/decrease in other current assets	(802 397)	1 500 831
	Increase/(decrease) in payables – current	3 093 668	814 327
	Proceeds from sale of capital assets	(124 151)	(109 855)
	Proceeds from sale of investments	(319 114)	(666 724)
	(Increase)/decrease in other financial assets	370	2 190
	Expenditure on capital assets	12 806 669	12 499 607
	Surrenders to Revenue Fund	(22 944 732)	(21 106 097)
	Surrenders to RDP Fund/Donor	(404 756)	(300 712)
	Voted funds not requested/not received	(20 932 650)	3 992 739
	Own revenue included in appropriation	8 136	-
	Other non-cash items	47 716 255	85 622 597
	Net cash flow generated by operating activities	(612 496 017)	(361 792 899)
25	Reconciliation of cash and cash equivalents for cash flow purposes		
	Consolidated paymaster General Account	11 763 644	(1 348 478)
	Cash receipts	85	450
	Disbursements	(60 840)	(4 553)
	Cash on hand	41 782 986	67 787 286
	Cash with commercial banks (Local)	175 610 922	36 277 603
	Cash with commercial banks (Foreign)	93 362 268	148 533 300
		<u>322 459 066</u>	<u>251 245 608</u>
	Total cash and cash equivalents for cash flow purposes	322 459 066	251 245 608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
26	Reconciliation of prior year net surplus to current comparatives		
	Net surplus as reported in prior year	(448 470 800)	
	Restatement	<u>(1 091 868)</u>	
	Restated Net Surplus for the Year	<u>(449 562 668)</u>	
	Reconciliation of cash and cash equivalents reported in prior year and Restated cash and cash equivalents in the current year		
	Cash and cash equivalents as reported in prior year	270 691 475	
	Less: Restatement	<u>(291 656)</u>	
	Restated cash and cash equivalents	<u>270 399 819</u>	
	Reconciliation of statement of position reported in prior year and Restated amounts in current year		
	ASSETS		
	Current assets as reported in prior year:	278 381 404	
	Restatement by Finance, Social and Economic Services Clusters	<u>357 543</u>	
	Restated current assets for the financial year	<u>278 738 947</u>	
	Non-current Assets		
	Non-current assets as reported prior year	<u>552 384 645</u>	
	Restated non-current assets for the financial year	<u>552 384 645</u>	
	LIABILITIES		
	Current liabilities		
	Current liabilities as reported in prior year:	449 384 900	
	Restatement of prior year journals	<u>(8 536 208)</u>	
	Restated current liabilities for the financial year	<u>440 848 692</u>	
	Non-Current Liabilities		
	Non-current liabilities as reported prior year	3 144 952 237	
	Restatement by NRF & Departments	<u>2 687 535</u>	
	Restated non-current assets for the financial year	<u>3 147 639 772</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
NET ASSETS/(LIABILITIES)			
Net Liabilities as reported in prior year (Capital Reserves)		210 935 457	
Restatement		4 194 494	
Restated net liabilities for the year		215 129 951	
Net Liabilities as reported in prior year (Recoverable Revenue)		2 159 795	
Restatement		(23 704)	
Restated net liabilities for the year		2 136 091	
Net Liabilities as reported in prior year (Retained Funds)		(2 976 666 339)	
Restatement		10 869 961	
Restated net liabilities for the year		(2 965 796 378)	
Net Liabilities as reported in prior year (Total)		(2 763 571 087)	
Restatement by Departments		15 040 751	
Restated net liabilities for the year		(2 748 530 336)	
27 Contingent liabilities and contingent Assets			
27.1 Motor vehicle guarantees		176	-
Housing loan guarantees		4 241	4 789
Other guarantees		384 735 065	413 718 281
Claims against the department		42 241 338	39 701 345
Other departments (interdepartmental unconfirmed balances)		2 820 371	2 511 635
Environmental rehabilitation liability		1 309 792	1 288 390
Other		723 983	531 673
Total		431 834 965	457 756 113
Other			
Military Pension, Injury on duty and Special Pension		431 659	411 106
QCC S42D claims		203 314	30 832
DPW, SITA and MTN		64 980	68 363
Miscellaneous		24 030	21 372
		723 983	531 673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
<i>Underwritten by government</i>			
Development Bank Of Southern Africa		4 928 020	4 727 350
Land Bank		2 480 707	2 613 463
South African Reserve Bank		13 726 182	-
Telkom South Africa Limited		132 013	148 925
Nuclear Energy Corporation Of South Africa		20 000	-
Komati Basin Water Authority		425 625	800 626
Transnet		3 757 096	3 757 836
Eskom		298 288 577	326 868 486
South African Airways		6 748 704	17 867 010
Denel		3 430 000	4 430 000
Sa Express		19 905	163 300
Sa. National Roads Agency Ltd.		50 633 178	52 555 434
Industrial Development Corporation of South Africa		145 059	170 301
Total		<u>384 735 065</u>	<u>414 102 730</u>

The National Government furnishes guarantees to various institutions. The guarantees furnished to parastatal institutions are disclosed under the relevant functional government departments. These guarantees will realise as liabilities to the State only if the institutions on whose behalf the guarantees were furnished, are unable to meet their commitments.

It is not possible to determine the portion of these guarantees which will realise as liabilities to the National Government. Amounts guaranteed and the interests thereon if also guaranteed, are disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
Road Accident Fund		13 084 013	10 688 835
<p>This represents the underfunding of the Fund's future commitment in respect of claims against the Fund according to the actuarial valuation. Actuarial valuations are conducted every year.</p>			
Export Credit Insurance Corporation of South Africa Ltd		16 879 322	22 522 750
<p>The Export Credit Insurance Corporation of South Africa Ltd and its predecessor, the Credit Guarantee Insurance Corporation of Africa Ltd, provide export credit and foreign investment cover to South African exporters. In terms of the Export Credit and Foreign Investment Act, 1957, as amended, the Government of South Africa acts as a guarantor for the liabilities of the company. The Government's commitment represents the net of the total underwriting exposure of the company and its total assets.</p>			
South African Reserve Bank (SARB)		111 446	111 446
<p>This contingent liability in respect of old coinage still in circulation is limited to 73,67% of the net cost of disposal of the old coins when they are returned to the SARB. A portion of the coinage will probably never be returned. The Government's related costs are set-off against surpluses of the SARB paid to Government. The SARB raises the full liabilities for old coinage in their books.</p>			
27.2 Contingent Assets			
SABC Recapitalization, Incentives and Rental overpayments		3 218 268	3 220 349
Claim, Counter claim, Assets seized during forfeiture; Ditsebi solutions		103 855	89 206
Dispute on guarantee/retention payments		105 771	102 332
Penalties, Cellphone usage exceed allowable limit		61 586	5 582
Giyani Project		3 207 651	2 904 688
Bonwelong Skills Development CC, Mr Inama and Nedbank (PTY) Ltd		9 930	9 930
Breach of contract / Litigation, legal / Cancellation of contract		45 248	30 010
Unconfirmed receivables balances - Agency Services		967 744	-
Advance paid for Preparatory work		103 397	97 993
G FECRA		315 584 260	436 062 044
Total		323 407 710	442 522 134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
28	Post-retirement benefit		
	Post-employment Health Care Fund	69 938 325	69 938 325
28.1	Post-retirement medical assistance		
	This contingent liability is the estimated present value of the State's future commitment in respect of government employees; post-employment medical assistance (including all active employees and Continuation and Widower members). It is important to note that Pol-med members have been excluded from the actuarial valuation.		
28.2	Pension funds		
	Governments Employees Pension Fund		
	This commitment represents the underfunding of the pension fund according to the most recent actuarial valuations. Actuarial valuations are conducted at least every three years.		
	Funding Levels		
	Government Employees Pension Fund	116%	116%
	Temporary Employees Pension Fund	123%	123%
	Associated Institutions Pension Fund	160%	160%
	Valuation Dates		
	Government Employees Pension Fund	March 2018	March 2018
	Temporary Employees Pension Fund	March 2018	March 2018
	Associated Institutions Pension Fund	March 2018	March 2018
	Government Employees Pension Fund, Temporary Employees and the Associated Pension Fund are in surplus(deficit) after reserves with (R289 172) million, R94.7 million and R2 674 million respectively.		
29	Capital Commitments		
	Building	5 676 710	5 383 780
	Machinery and Equipment	1 360 420	1 459 971
	Furniture and Office equipment	7 379	25 214
	Specialised Military Assets	10 180 893	10 810 623
	Other fixed structures	6 016 752	5 907 817
	Computer equipment	54 869	68 365
	Software and other intangible assets	359 560	441 525
	Heritage assets	15 497	19 325
	Total Commitments	23 672 080	24 116 620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
30	Accruals and Payable not recognised		
	Accruals not recognised		
	Goods and services	2 135 913	2 078 366
	Interest and rent on land	3 413	-
	Transfers and subsidies	683 477	166 479
	Capital assets	417 092	806 895
	Other	116 381	51 895
	Total	3 356 276	3 103 635
	30 Days		
	Accruals not recognised		
	Goods and services	1 255 893	
	Interest and rent on land	3 400	
	Transfers and subsidies	551 748	
	Capital assets	263 993	
	Other	24 329	
	Total	2 099 363	
	30+ Days		
	Accruals not recognised		
	Goods and services	880 020	
	Interest and rent on land	13	
	Transfers and subsidies	131 729	
	Capital assets	153 099	
	Other	92 052	
	Total	1 256 913	
	Payables not recognised		
	Goods and services	1 705 051	1 986 604
	Interest and rent on land	32 046	25 099
	Transfers and subsidies	218 700	9 352
	Capital assets	473 997	413 395
	Other	4 788	1 521
	Total	2 434 582	2 435 971
	30 Days		
	Payables not recognised		
	Goods and services	814 634	
	Interest and rent on land	32 011	
	Transfers and subsidies	215 302	
	Capital assets	276 932	
	Other	2 611	
	Total	1 341 490	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
30+ Days Payables not recognised			
Goods and services		890 417	
Interest and rent on land		35	
Transfers and subsidies		3 398	
Capital assets		197 065	
Other		2 177	
Total		1 093 092	
Confirmed balances			
Confirmed balances with departments		506 363	551 599
Confirmed balances with other government entities		543 126	695 894
Total		1 049 489	1 247 492
31 Employee benefits			
Leave entitlement		9 540 194	6 539 680
Service bonus		4 705 208	4 624 354
Performance awards		269 621	369 040
Capped leave		6 539 459	7 250 424
Other		518 207	589 075
Total		21 572 689	19 372 573

32 Lease commitments

32.1 Operating lease expenditure

2020 / 2021	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	36 029	2 018 591	251 971	2 306 591
Later than 1 year and not later than 5 years	-	68 191	3 353 312	120 314	3 541 817
Later than five years	-	49 026	645 326	-	694 352
Total lease commitments	-	153 245	6 017 229	372 285	6 542 759

2019 / 2020	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	3 091	37 322	1 798 257	164 173	2 002 843
Later than 1 year and not later than 5 years	27	99 167	3 230 308	125 415	3 454 917
Later than five years	-	55 434	512 277	328	568 039
Total lease commitments	3 118	191 923	5 540 842	289 916	6 025 799

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

32.2 Finance lease expenditure

2020 / 2021	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	328 195	328 195
Later than 1 year and not later than 5 years	-	-	-	208 730	208 730
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	536 925	536 925

2019 / 2020	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	324 340	324 340
Later than 1 year and not later than 5 years	-	-	-	244 228	244 228
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	568 568	568 568

32.3 Operating lease revenue

2020 / 2021	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	5 585	-	-	5 585
Later than 1 year and not later than 5 years	-	26 522	-	-	26 522
Later than five years	-	1 915 000	-	-	1 915 000
Total operating lease revenue receivable	-	1 947 107	-	-	1 947 107

2019 / 2020	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total operating lease revenue receivable	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2019/20 R'000	2018/19 R'000
33	Accrued departmental revenue		
	Tax revenue	-	-
	Sales of goods and services other than capital assets	33 282	6 031
	Fines, penalties and forfeits	216 979	242 670
	Interest, dividends and rent on land	1 067 911	758 203
	Sale of capital assets	1	(220 014)
	Transactions in financial assets and liabilities	32 138	12 289
	Transfers received (incl conditional grants to be repaid by prov depts)	181 292	232 400
	Other	40 846	155 894
	Total	1 572 449	1 187 473
	Analysis of receivables for departmental revenue		
	Opening balance	1 424 105	577 282
	Less: Amounts received	1 236 576	634 402
	Less: Services received in lieu of cash	3 629	3 840
	Add: Amounts recognised	1 428 380	1 288 911
	Less: Amounts written-off/reversed as irrecoverable	38 955	40 478
	Other	(876)	-
	Closing balance	1 572 449	1 187 473
	Accrued department revenue written off		
	Irrecoverable-Trade and Farm Rental Debt	2 082	-
	Penalty imposed by United Nations and Fines	36 873	40 478
	Total	38 955	40 478
	Impairment of accrued departmental revenue		
	Estimate of impairment of accrued departmental revenue	574 291	290 218
	Total	574 291	290 218
34	Irregular expenditure		
34.1	Reconciliation of irregular expenditure		
	Opening balance	35 723 302	28 009 398
	Prior period error	3 130 998	1 394 383
	As restated	38 854 299	29 403 781
	Add: Irregular expenditure - relating to prior year	4 882 938	2 991 631
	Add: Irregular expenditure - relating to current year	5 119 699	7 358 106
	Less: Prior year amounts condoned	(143 468)	(1 097 549)
	Less: Current year amounts condoned	(26 018)	(6 907)
	Less: Prior year amounts not condoned and removed	(60 676)	(67 473)
	Less: Current year amounts not condoned and removed	(5 405)	(126)
	Less: Amounts recoverable (current and prior year)	(229)	(122)
	Less: Amounts written off	-	-
	Irregular expenditure awaiting condonation	48 621 140	38 581 341
	Analysis of awaiting condonation per age classification		
	Current Year	8 746 046	9 030 817
	Prior Years	39 875 094	29 550 524
	Total	48 621 140	38 581 341

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
34.2	Prior period error		
	Nature of prior period error		
	Relating to 2018/19		1 406 679
	Tender objectivity, Adjustments, Irregular appointments. Transversal contracts condoned by OCPO		1 406 679
	MFIP Condoned by OAG including other contracts		-
			-
	Relating to 2017/18		821 607
	Tender objectivity		821 607
	Procurement Deviations and Payment of legal costs		-
	RESP, Petty Cash and VIA. Other overstatements		-
	Total		2 228 286
35	Fruitless and wasteful expenditure		
35.1	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	1 534 704	1 114 014
	Prior period error	168 543	6 644
	As restated	1 703 247	1 120 658
	Fruitless and wasteful expenditure – relating to prior year	43 991	83 977
	Fruitless and wasteful expenditure – relating to current year	106 794	109 980
	Less: Amounts condoned	(7 637)	(8 396)
	Less: Amounts transferred to receivables for recovery	141 183	160 526
	Fruitless and wasteful expenditure awaiting condonement	1 987 578	1 466 745
35.2	Prior period error		
	Nature of prior period error		
	Relating to 2019/20		(48 850)
			(48 850)
	Relating to 2018/19		6 090
			6 090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
36	Related-party transactions		
	Revenue received (paid)		
	Fines, penalties and forfeits		
	Interest, dividends and rent on land	44 842	-
	Transactions in financial assets and liabilities	20 160	7 243
	Total	65 002	7 243
	Payments made		
	Compensation of employees	284 160	6 350
	Goods and services	771 176	692 323
	Payments for financial assets	80 028 295	56 664 013
	Transfers and subsidies	95 753	16 521
	Total	81 179 384	57 379 207
	Year end balances arising from revenue/payments		
	Receivables from related parties	10 024	24 739
	Payables to related parties	371	371
	Total	10 395	25 110
	Loans to/from related parties		
	Non-interest bearing loans to/(from)	1 351 130	1 351 130
	Interest bearing loans to/(from)	14 914	14 914
	Total	1 366 044	1 366 044
	Guarantees issued		
	Transport: S.A. National Roads Agency (SOC) Ltd.	37 378 106	38 997 795
	National Treasury: Land Bank	2 305 637	2 564 546
	National Treasury: Development Bank of Southern Africa	4 894 926	4 692 813
	National Treasury: South African Reserve Bank	13 468 402	-
	Mineral resources and Energy: NECSA	20 000	-
	Guarantees	15 064 958	39 076 170
	Total	73 132 029	85 331 324

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
37	Key management personnel		
37.1	Description	No. of Individuals	
	Political office bearers	151 642	164 416
	Officials:	76 334	81 356
	Salary level 15 to 16	729 613	653 173
	Salary level 14	1 190 353	969 282
	Salary level 13	289 290	331 115
	Family members of key management personnel	44 118	45 525
	Total	2 481 351	2 244 867
	Description		
	Speaker to Parliament/the Legislature	5 650	5 544
	Deputy Speaker to Parliament/the Legislature	3 956	3 921
	Secretary to Parliament/ the Legislature	5 021	4 948
	Deputy Secretary	2 272	2 243
	Chief Financial Officer	2 365	1 974
	Legal Advisor	2 219	2 118
	Other	47 727	47 019
	Total	69 210	67 767
38	Public Private Partnership		
	Concession fee received	205 440	197 616
	Other fees received	205 440	197 616
	Unitary fee paid	2 208 977	1 897 905
	Fixed component	722 720	436 598
	Indexed component	1 486 257	1 461 307
	Analysis of indexed component	1 334 354	1 317 271
	Goods and Services (excluding lease payments)	1 212 786	1 206 145
	Operating leases	5 028	6 110
	Interest	116 540	105 016
	Capital/ (Liabilities)	2 059 276	1 558 455
	Property	1 988 975	1 491 202
	Plant and equipment	57 470	57 470
	Loans	12 831	9 783
	Other	60 147	55 449
	Prepayments and advances	8 582	6 049
	Other Obligations	51 565	49 400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
39	Impairment		
	Debtor	26 099	15 318
	Investments	2 518	1 311
	Ex-employee debtors	42 917	43 350
		71 534	59 979
40	Provisions		
	Admin Expenses and claims	266 862	434 026
	Curators	200 796	314 216
	Environmental liabilities	156 219	156 219
	Injury on Duty	203 510	194 760
	Long Service Awards	162 659	171 378
	Post retirement benefit	1 471 342	1 432 968
	Retentions	574 676	759 198
	Gratuity	262 532	258 901
	other	175 452	298 308
	Total	3 474 048	4 019 974

40.1 Reconciliation in movement in provisions – 2020/21

	Post retirement Liability R'000	Claims and admin R'000	Fees R'000	Other R'000	TOTAL R'000
Opening balance	1 856 543	633 398	1 207 468	315 594	4 013 003
Increase in provision	192 057	141 542	88 414	18 721	440 734
Settlement of provision	(158 174)	(187 212)	(160 277)	(89 314)	(594 977)
Unused amount reversed	-	(123 234)	(2 802)	(82 250)	(208 286)
Reimbursement expected from third party	-	-	-	-	-
Change in provision due to change in estimation of inputs	(3 301)	19 243	(214 705)	22 337	(176 426)
Closing balance	1 887 125	483 737	918 098	185 088	3 474 048

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

40.2 Reconciliation in movement in provisions – 2018/19

	Post retirement Liability R'000	Claims and admin R'000	Fees R'000	Other R'000	TOTAL R'000
Opening balance	1 604 155	426 347	525 111	395 861	2 951 474
Increase in provision	463 452	378 406	746 871	354 289	1 943 018
Settlement of provision	(208 387)	(369 505)	(41 729)	(417 741)	(1 037 362)
Unused amount reversed	-	(14)	(26 684)	(28 237)	(54 935)
Reimbursement expected from third party	-	-	-	25 211	25 211
Change in provision due to change in estimation of inputs	-	202 458	3 899	(13 789)	192 568
Closing balance	1 859 220	637 692	1 207 468	315 594	4 019 974

41 Movable Tangible Capital Assets

41.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	522 165	-	24 012	4 293	541 884
Heritage assets	522 165	-	24 012	4 293	541 884
MACHINERY AND EQUIPMENT	49 478 356	(217)	5 551 820	1 215 268	53 814 691
Transport assets	23 502 589	-	2 664 912	800 173	25 367 328
Computer equipment	8 547 675	270	1 497 774	151 651	9 894 068
Furniture and office equipment	2 169 922	751	233 428	29 675	2 374 426
Other machinery and equipment	15 258 170	(1 238)	1 155 706	233 769	16 178 869
SPECIALISED MILITARY ASSETS	49 650 032	-	20 666	-	49 670 698
Specialised military assets	49 650 032	-	20 666	-	49 670 698
BIOLOGICAL ASSETS	336 390	168 875	1 589 356	984 976	1 109 645
Biological assets	336 390	168 875	1 589 356	984 976	1 109 645
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	99 986 943	168 658	7 185 854	2 204 537	105 136 918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

41.2 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
HERITAGE ASSETS	58 811	2 167	(3 891)	(990)	56 097
Heritage assets	58 811	2 167	(3 891)	(990)	56 097
MACHINERY AND EQUIPMENT	4 107 949	1 944 715	(500 017)	137 702	5 690 348
Transport assets	2 236 595	471 081	(143 283)	108 522	2 672 915
Computer equipment	818 275	745 073	(5 345)	17 187	1 575 190
Furniture and office equipment	91 735	151 663	(4 321)	(911)	238 166
Other machinery and equipment	961 344	576 898	(347 068)	12 904	1 204 078
SPECIALISED MILITARY ASSETS	113 048	20 666	-	-	133 714
Specialised military assets	113 048	20 666	-	-	133 714
BIOLOGICAL ASSETS	442 965	1 559 039	(3 142)	(671)	1 998 191
Biological assets	442 965	1 559 039	(3 142)	(671)	1 998 191
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	4 722 772	3 526 587	(507 050)	136 041	7 878 350

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

41.3 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
HERITAGE ASSETS	10 251	17 771	28 022	1 527
Heritage assets	10 251	17 771	28 022	1 527
MACHINERY AND EQUIPMENT	571 432	794 786	1 366 218	118 213
Transport assets	503 520	441 820	945 340	111 176
Computer equipment	42 206	111 771	153 977	498
Furniture and office equipment	3 028	28 153	31 181	5 449
Other machinery and equipment	22 678	213 043	235 721	1 090
SPECIALISED MILITARY ASSETS	-	-	-	5 947
Specialised military assets	-	-	-	5 947
BIOLOGICAL ASSETS	11 117	997 588	1 008 705	1 537
Biological assets	11 117	997 588	1 008 705	1 537
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	592 800	1 810 145	2 402 945	127 224

41.4 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	520 421	184	13 950	12 612	521 943
Heritage assets	520 421	184	13 950	12 612	521 943
MACHINERY AND EQUIPMENT	46 187 964	220 573	4 166 722	1 245 926	49 329 333
Transport assets	22 013 211	51 120	2 180 026	750 840	23 493 517
Computer equipment	7 744 578	205 957	808 779	295 562	8 463 751
Furniture and office equipment	2 173 621	(159 426)	136 283	25 716	2 124 763
Other machinery and equipment	14 256 555	122 922	1 041 634	173 808	15 247 302
SPECIALISED MILITARY ASSETS	49 691 351	(56 208)	14 889	-	49 650 032
Specialised military assets	49 691 351	(56 208)	14 889	-	49 650 032
BIOLOGICAL ASSETS	347 195	(2 193)	29 242	37 854	336 390
Biological assets	347 195	(2 193)	29 242	37 854	336 390
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	96 746 932	162 356	4 224 803	1 296 392	99 837 698

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

42 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH

42.1 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	13 422	5 319	4 952 877	22 460	4 994 078
Value adjustments	-	2	-	10 563	(5 351)	5 214
Additions	-	370	224	647 125	15 987	663 706
Disposals	-	38	-	69 322	5 807	75 167
TOTAL MINOR ASSETS	-	13 756	5 543	5 541 243	27 289	5 587 831

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH

42.2 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	12 692	4 905	4 689 626	15 527	4 722 750
Value adjustments	-	(4)	-	17 253	(495)	16 754
Additions	-	1 097	229	327 970	12 522	341 818
Disposals	-	363	-	107 329	5 094	112 786
TOTAL MINOR ASSETS	-	13 422	5 134	4 927 520	22 460	4 968 536

42.3 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	2	4	-	952 903	29 788	982 697
	2	4	-	952 903	29 788	982 697

42.4 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	50	17 340	-	989 844	6 421	1 013 655
	50	17 340	-	989 844	6 421	1 013 655

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

43 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31

43.1 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	8 363 921	1 276	556 612	5 211	8 916 598
Patents, Licences, Copyright, Brand names, Trademarks	592	-	-	-	592
Recipes, Formulae, Prototypes, Designs, Models	7 530	-	13 579	-	21 109
Services and Operating rights	4 045 145	-	336 433	382	4 381 196
	89 000	-	21 231	4 414	105 817
TOTAL INTANGIBLE CAPITAL ASSETS	12 506 188	1 276	927 855	10 007	13 425 312

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31

43.2 MARCH 2021

	Cash R'000	Non-cash R'000	(Developme nt work-in- progress current costs) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
Software	528 120	127 275	(61 092)	4 055	598 358
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-	-
Recipes, Formulae, Prototypes, Designs, Models	13 579	-	-	-	13 579
Services and Operating rights	-	335 721	-	-	335 721
	27 147	-	-	3 355	30 502
TOTAL INTANGIBLE CAPITAL ASSETS	568 846	462 996	(61 092)	7 410	978 160

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31

43.3 MARCH 2021

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
Software	707	50 870	51 577	-
Patents, Licences, Copyright, Brand names, Trademarks	-	-	-	-
Recipes, Formulae, Prototypes, Designs, Models	-	-	-	-
Services and Operating rights	-	382	382	-
	-	7 855	7 855	-
TOTAL INTANGIBLE CAPITAL ASSETS	707	59 107	59 814	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

43.4 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	7 822 629	18 459	470 603	88 334	8 223 357
Patents, Licences, Copyright, Brand names, Trademarks	592	-	-	-	592
Recipes, Formulae, Prototypes, Designs, Models	6 819	-	711	-	7 530
Services and Operating rights	3 025 129	-	1 029 389	9 373	4 045 145
	83 955	-	5 416	371	89 000
TOTAL INTANGIBLE CAPITAL ASSETS	10 939 124	18 459	1 506 119	98 078	12 365 624

44 Immovable Tangible Capital Assets

44.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	39 590 134	-	2 728 419	2 626 251	39 692 302
Dwellings	5 802 073	-	471 913	163 861	6 110 124
Non-residential buildings	17 708 704	-	518 494	1 662 520	16 564 678
Other fixed structures	16 079 358	-	1 738 012	799 870	17 017 500
HERITAGE ASSETS	2 887 902	-	-	-	2 887 902
Heritage assets	2 887 902	-	-	-	2 887 902
LAND AND SUBSOIL ASSETS	22 147 955	-	2 894 728	201 676	24 841 007
Land	13 113 567	-	1 054 529	12 160	14 155 936
Mineral and similar non-regenerative resources	9 034 388	-	1 840 199	189 516	10 685 071
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	64 625 991	-	5 623 147	2 827 927	67 421 212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

43 Immovable Tangible Capital Assets

44.2 ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5 154 778	2 624 384	(4 979 804)	(56 371)	2 742 987
Dwellings	577 621	653 865	(766 960)	28 629	493 155
Non-residential buildings	1 466 407	508 200	(1 365 465)	(85 000)	524 143
Other fixed structures	3 110 749	1 462 319	(2 847 379)	-	1 725 689
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 226 310	2 705 453	(1 150 356)	110 082	2 891 489
Land	27 191	983 876	(14 927)	58 389	1 054 529
Mineral and similar non-regenerative resources	1 199 119	1 721 577	(1 135 429)	51 693	1 836 960
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	6 381 088	5 329 837	(6 130 160)	53 711	5 634 476

44.3 DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	2 664 766	2 664 766	-
Dwellings	-	163 861	163 861	-
Non-residential buildings	-	1 662 520	1 662 520	-
Other fixed structures	-	838 385	838 385	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	201 694	201 694	-
Land	-	12 160	12 160	-
Mineral and similar non-regenerative resources	-	189 534	189 534	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	2 866 460	2 866 460	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

44.4 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	37 973 005	1 760 979	4 358 209	4 555 406	39 536 787
Dwellings	5 436 354	2 266	363 643	190	5 802 073
Non-residential buildings	18 297 029	184 730	495 143	898 738	17 708 704
Other fixed structures	14 239 623	1 943 443	3 499 423	3 656 478	16 026 011
HERITAGE ASSETS	2 888 213	-	-311	-	2 887 902
Heritage assets	2 888 213	-	311	-	2 887 902
LAND AND SUBSOIL ASSETS	20 861 007	13 027	1 299 975	-	22 147 955
Land	13 113 567	-	-	-	13 113 567
Mineral and similar non-regenerative resources	7 747 440	13 027	1 299 975	-	9 034 388
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	61 722 225	1 747 952	5 657 873	4 555 406	64 572 644

44.5 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Opening Balance 1 April 2019 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2020 R'000
Heritage assets	210	-	-	210
Buildings and other fixed structures	28 951 425	5 292 126	1 479 556	32 763 995
Machinery and equipment	12 208 380	1 572 111	1 739 801	12 040 690
Intangible assets	476 429	92 745	25 656	543 518
TOTAL	41 636 444	6 956 982	3 245 013	45 348 413

44.6 Age analysis on on-going projects

	Number of projects		2019/20 R'000
	Planned, construction not started	Planned, construction started	
0 to 1 year	82	344	1 897 212
1 to 3 year(s)	92	922	4 549 929
3 to 5 years	88	104	2 983 758
Longer than 5 years	120	155	42 232 053
TOTAL	357	1 525	51 662 952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

44.7 Accruals and payables not recognised relating to Capital WIP

	2019/20 R'000	2018/19 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress	298 251	285 009
TOTAL	298 251	285 009

CAPITAL WORK-IN-PROGRESS AS AT 31

44.8 MARCH 2020

	Opening Balance 1 April 2019 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2020 R'000
Heritage assets	112	-	(213)	(311)	210
Buildings and other fixed structures	32 265 472	(45 330)	4 546 001	7 814 718	28 951 425
Machinery and equipment	10 557 810	222 795	1 427 775	-	12 208 380
Intangible assets	361 136	-	167 247	51 954	476 429
TOTAL	43 184 530	177 465	6 140 810	7 866 361	41 636 444

Age analysis on on-going projects

	Number of projects		2019/20 R'000
	Planned, construction not started	Planned, construction started	
0 to 1 year	67	900	3 964 596
1 to 3 year(s)	77	51	5 419 261
3 to 5 years	30	124	8 532 259
Longer than 5 years	120	125	147
TOTAL	299	1 214	54 507 629

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S42 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2019/20

BUILDINGS AND OTHER FIXED STRUCTURES

Dwellings	142 265	385 999
Non-residential buildings	311 357	3 060 746
Other fixed structures	8 743 753	7 009 204

HERITAGE ASSETS

Heritage assets	-	-
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BUILDINGS AND OTHER FIXED STRUCTURES

Land	22	-
Mineral and similar non-regenerative resources	-	-
TOTAL	9 197 397	10 455 949

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
46	Reconciliation of Note 41, 43 & 44 to Expenditure on Capital Assets per Statement of Financial Performance		
	Capital expenditure additions per note 39	7 185 854	4 224 803
	Capital expenditure additions per note 40	927 855	1 506 119
	Capital expenditure additions per note 41	5 623 147	5 657 873
	Total additions per disclosure notes	13 736 856	11 388 795
	Total reconciling items	(930 187)	1 110 812
	Non-Cash Movement	(9 155 032)	(7 380 151)
	Capital Work in Progress-current costs	6 647 334	6 474 113
	Received but not paid/ (Paid current year but received prior year)	196 349	43 858
	Other	1 381 163	1 972 991
	Capital expenditure per statement of financial performance	12 806 669	12 499 607
47	Agent-principal arrangements		
47.1	Department acting as the principal		
	Corporative Governance: CWP	270 381	227 813
	Agriculture, Rural Development and Land Reform	35 825	-
	Transport Taxi Scrapping, relief scheme - National Empowerment Fund Trust	1 536 850	360 586
	Independent Development Trust (NPI)	34 977	48 875
	Postbank, Nedbank	2 030	3 895
	Basic Education: SAB and T	120 075	105 659
	EPWP and Tourism Incentive Programme projects	28 962	20 067
	Regional Bulk Infrastructure Grant (RBIG)	40 318	40 962
	Government Pension Administration Agency (GPAA)	59 716	65 755
	Development Bank of Southern Africa	65 806	45 511
	Total	2 194 940	919 123
47.2	Department acting as the agent		
	Revenue received for agency activities		
	CARA receives proceeds in cash, property, motor vehicles equipment and other assets from the enforcement of court orders granted in terms of the Prevention of Organised Crime Act (Act 121 of 1998) as amended, and the Financial Intelligence Act(Act 38 of 2001). The proceeds are deposited into CARA which is an account in the National Revenue Fund.	85 835	159 642
	State Attorney Monies: Money collected by the State Attorney on behalf of Government Institutions. The State Attorney also collects a commission on debt collections on behalf of Government Institutions which is paid over to the National Revenue Fund.	65 358	93 764
	Total	151 193	253 406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
48	Prior period errors		
	Correction of prior period error for secondary information		
	Revenue: (e.g. Annual Appropriation, Departmental Revenue, Aid assistance, etc.)		
	Departmental revenue - Annual appropriation		(58 508)
	Training and Development		661
	Net effect on the note		(57 847)
	Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)		
	Movable Tangible Capital Assets		776
	Minor Assets		100
	Immovable Tangible Capital Assets		(52 752)
	Goods and services:		794
	Compensation of Employees		3 613
	Payments for Financial Assets		52 713
	Related parties		353 765
	Salaries		(361)
	Net effect on the note		358 648
	Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)		
	Receivables		(103 640)
	Cash and Cash equivalents		15 608
	Prepayments and advances		120 545
	Moveable Capital assets, Computer equipment		(160 584)
	Minor assets		(2 316)
	Intangible assets		310
	Immovable Tangible Capital Asset		2 484 343
	Contingent asset		3 227
	Accrued Departmental Revenue		116 405
	Land Bank		4 196 700
	Net effect on the note		6 670 598
	Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)		
	Payables		(26 670)
	Accruals		20 518
	Commitments		1 494 668
	Provisions		567 378
	Contingent liabilities		1 081 982
	Employee benefits		32 121
	Finance Leases		(1 439)
	Other guarantees		15 863
	Movable Assets		(476 316)
	Funds to be surrendered to the Revenue Fund		(206 394)
	Buildings		(5 320 290)
	Fruitless and Wasteful Expenditure		(52 479)
	Operating leases		(12 443)
	Net effect on the note		(2 883 501)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Notes	2020/21 R'000	2019/20 R'000
Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)		
Capital Assets		16 206
Prepayments and Advances		15 792
Commitments		48 716
Fruitless and wasteful		11 151
Irregular expenditure		746 822
Key Management Personnel		(28 862)
Inventory		(3 463)
Principal-agent arrangements		(299)
Related parties		5 814
Revenue collected on behalf of other department		(60 559)
Unauthorised Expenditure		(149 273)
Work in progress		(4 989)
Claims recover		(2 730)
COVID 19 Response Expenditure		(513)
Net effect on the note		593 813

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Inventory

Opening balance	5 949	5 967
Add/(less): Adjustment to prior year balances	(770 204)	(769 633)
Add: Additions/Purchases - Cash	530 021	47 362
Add: Additions - Non-Cash	695 903	9 750
(Less): Disposals	18 508	20 337
(Less): Issues	(988 003)	(57 360)
Add/(Less): Received current, not paid (Paid current year, received prior year)	-	(157)
Add/(less): Adjustments	3 436	(115)
Closing balance	(504 390)	(743 849)

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Departures and Exemptions

The Minister of Finance granted exemption in terms of Section 92 of the PFMA for the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated AFS for national departments and public entities. Due to the significantly different accounting bases being applied (modified cash and accrual), the Minister has now allowed the National Treasury to prepare separate sets of consolidated financial statements for departments and public entities respectively.

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Financial Sustainability

Government expenditure has for the past few years exceeded its revenue base. This fiscal position began to develop in the wake of the 2008 financial crisis. GDP growth did not recover to pre-2008 levels following the crisis and South Africa fell behind other emerging economies. This decade long decline in South Africa's GDP growth together with the COVID-19 pandemic has magnified South Africa's social and economic crises of poverty and unemployment.

The COVID-19 pandemic led to a historic economic contraction and an unprecedented widening of the budget deficit and a spike in the stock of debt. Government debt has increased seven-fold from R577 billion in 2007/08 to over R4 trillion in 2021/22. A larger stock of debt means that interest payments absorb a growing share of national resources averaging about 5 per cent of GDP over the next two years. In addition, government will pay more approximately 21c of every Rand collected in revenue per year, over

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

the next three years. This will make it very difficult for government to direct the much-needed funds to address the deeply entrenched poverty and unemployment.

The economy has recovered more quickly than anticipated. Nevertheless, the recent spike in commodity prices, which has supported GDP growth and tax revenues, is considered temporary. Long-term structural constraints and scarring from the effects of the pandemic weigh on the outlook. Fiscal risks have increased.

South Africa's economy is expected to grow by 5.1 per cent in 2021, following a 6.4 per cent contraction in 2020. Over the medium term, economic and fiscal policy balance the need to restore jobs and support businesses, protect vulnerable groups, and implement a series of reforms needed to promote faster GDP growth.

Fiscal consolidation is critical to reduce the public debt burden, restore investor confidence and avoid overexposure to global and domestic risks. The MTBPS proposes to maintain restraint in public expenditure. Government will not commit to new long-term spending in response to temporary revenue windfalls. No additional funding is provided to state-owned companies over the medium-term.

Government remains committed to reducing the budget deficit and stabilising the debt-to-GDP ratio. Government will use part of the higher tax revenues associated with the recent commodity price surge to narrow the deficit, while increasing non-interest expenditure to support economic growth, job creation and social protection, and cover the higher costs of the public-service wage agreement.

Staying the course will enable government to bring fiscal consolidation to a close at the end of the forthcoming MTEF period, in 2024/25. The consolidated deficit will narrow from 7.8 per cent of GDP in 2021/22 to 4.9 per cent of GDP in 2024/25. Debt is expected to stabilise at 78.1 per cent of GDP by 2025/26, down from 88.9 per cent at time of the 2021 Budget. Debt stabilisation will greatly support recovery of the South African economy by reducing the cost of capital.

In line with government's commitment to support vulnerable households, particularly given the impact of COVID-19, additional resources for social relief will be considered, if the fiscal situation improves by February 2022. Over the next three years, spending will remain restrained. To avoid a widening of the budget deficit, changes to spending will be funded through improved revenue performance or through reprioritisation and reviewing existing programmes. Infrastructure projects will be financed through the Infrastructure Fund, using public-private partnerships and other funding arrangements to improve planning and speed up delivery.

Barring major new shocks or unbudgeted spending commitments, staying the course will lead to a primary fiscal surplus in 2024/25, bringing an end to fiscal consolidation at the end of the MTEF period. This consolidation will be supported by structural reforms to unlock private-sector investment and job creation.

South Africa strive towards a "better live for all". This can only be done in a fast-growing economy where investments increase, businesses will innovate and hire workers and people can earn an income. This will enable government to shift expenditure away from consumption towards growth-enhancing investment. Therefore, to maximise the value of spending, government needs to contain costs, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources.

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Subsequent Events

In 2021/22, government's gross borrowing requirement – the budget deficit plus maturing loans – decreased by R72.7 billion to R475.1 billion. Relative to the 2021 Budget, which projected a net increase of R9 billion, no new short-term borrowing is now expected for 2021/22. Short-term borrowing will average R53 billion over the next three years. Long-term borrowing in the domestic bond market will decline from R380 billion to R285.3 billion in 2021/22, averaging R374.7 billion over the medium term.

Since 31 March 2021, government's gross loan debt has increased by R262.7 billion to R4.20 trillion. This was mainly due to the budget balance and fluctuations in the interest, inflation and exchange rates. Debt-service costs have increased to R133.3 billion (31 March 2021: R269.2 billion).

Gross loan debt is expected to increase from R4.31 trillion, or 69.9 per cent of GDP, in 2021/22 to R5.54 trillion, or 77.8 per cent of GDP, in 2024/25. Debt is now expected to stabilise at 78.1 per cent of GDP in 2025/26.

In the first half of 2021/22 government's total exposure to guarantees issued to state-owned entities decreased by R1 billion, mainly due to repayments of guaranteed debt as well as fluctuations in the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

accrued interest on the debt. There were no additional guarantees issued to state-owned entities since 31 March 2021.

Denel is experiencing difficulties in meeting its obligations and is negotiating with stakeholders on a way forward. Several repayment obligations have fallen due in 2021/22. Government has allocated R2.9 billion in 2021/22 to settle these repayments.

Eskom continues to pose a significant risk to the public finances, as it relies on government guarantees to finance its operations. Equity support of R31.7 billion was provided to Eskom in 2021/22, with the last tranche of R11.7 billion disbursed on 1 July 2021. To enable Eskom to execute its borrowing plan, the Minister of Finance approved a special dispensation to allow Eskom to access additional guaranteed debt of R42 billion in 2021/22, which falls within its existing guarantee facility

As of 1 April 2021, Rating and Investment Information Inc. (R&I) rates South Africa on an unsolicited basis. On 21 May 2021, Fitch affirmed South Africa's credit ratings at 'BB-' and maintained the negative outlook. On the same day, S&P affirmed the country's foreign and local currency ratings at 'BB-' and 'BB', respectively, and maintained a stable outlook.

Due to Covid19 and the Public Unrest experienced in July 2021 the Minister of Finance announced an additional allocation in the Second Special Appropriation Bill (2021) totalling R32.8 billion which consist of the following:

- R26,7 billion to support individuals in the form of the Social Relief Distress Grant. This will provide monthly payment of R350 to qualifying individuals until the end of March 2022.
- R4.8 billion to cater for the cost of public unrest in July 2021 in Gauteng and KwaZulu - Natal provinces. R3.9 billion of R4.8 billion was allocated for SASRIA.
- R1,3 billion to support businesses effected by Covid 19 and the unrest in July 2021.

Public service Bill 2021

An amount of R20.5 billion was allocated for public sector salary adjustment.

New Covid-19 variant

The discovery of the new variant of the virus may have a significant effect on Tourism and the economy as a whole.

53 Financial Risk Management

Market Risk

Government's debt portfolio during 2020/21 was assessed for a seventh year against the strategic risk benchmarks which were implemented in 2014/15. Government's funding programme was monitored against these benchmarks to assess the impact on refinancing, inflation and currency risks. While the numeric benchmarks and indicators will remain unchanged in 2020/21, they will continue to be monitored and reported on a quarterly basis.

Strategic portfolio risk benchmarks

Description	Range or limit
Treasury bills as % of domestic debt	15
Long-term debt maturing in 5 years as % of bonds	25
Inflation-linked bonds as % of domestic debt	20-25
Foreign debt as % of total debt	15
Weighted term-to-maturity of fixed-rate bonds and Treasury bills (in years)	10-14
Weighted average term-to-maturity of inflation-linked bonds (in years)	14-17

Government's gross loan debt of R3.9 trillion consist of domestic (R3.5 trillion) and foreign debt (R392.4 billion). Domestic debt comprises short-term debt (Treasury bills and borrowing from the Corporation for Public Deposits) and long-term debt (fixed-rate, inflation-linked and retail, and other

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loans). For purposes of calculating the risk benchmarks; borrowings from the CPD, retail bonds and other non-marketable were excluded from gross loan debt. This is because these items are generally small in nominal values and difficult to price.

Inflation risk

Inflation risk is the risk that adverse changes in month on month inflation might result in increases in the outstanding amount of inflation-linked bonds and thus result in higher future redemption amounts. This risk is managed by setting a benchmark for inflation-linked bonds (ILB) as a per cent of domestic debt to range between 20 to 25 per cent. Domestic debt includes Treasury bills, fixed-rate- and inflation-linked bonds only.

Inflation-linked bonds as a per cent of domestic debt

Indicator	31 March 2021	31 March 2020
Domestic debt ¹	R3 526.9 bn	R2 834.6 bn
Inflation-linked bonds	R 787.3 bn	R 650.2 bn
ILBs as % of domestic debt	22.3	22.9

1. Excludes retail bonds, borrowing from the CPD, and other loans.

Currency risk

Currency risk arises from the change in price of the rand against major currencies the foreign debt is denominated in. These impacts on the rand value of interest and redemption amounts on foreign loans. The risk is managed by setting a limit of 15 per cent for foreign currency debt as a per cent of total debt. Changes in the exchange rate, mainly the USD/ZAR also impact on the rand value of government's foreign currency deposits with the Reserve Bank.

Government monitors its net foreign debt exposure, the difference between gross foreign debt and foreign currency deposits. Although government does not enter into hedge transactions to limit its exposure to foreign currency volatility, foreign currency cash deposits provide a natural hedge to a portion of the foreign debt portfolio. Foreign currency deposits are held in US dollar.

Composition of foreign debt

Indicator	31 March 2021	31 March 2020
Percentage		
As % of total debt		
- Gross foreign debt	10.0	11.9
- Net foreign debt	8.3	8.0
Currency composition		
- US Dollar	80.2	94.8
- Euro	2.2	2.6
- Yen	1.0	2.6
- GBP	0.0	0.0
- Swedish krona	0.0	0.1
- XDR	16.5	0.0

Refinancing risk

Refinancing risk is the possibility that money cannot be borrowed to refinance maturing debt or that these borrowings take place at unfavourable rates. This risk is manifested in the concentration of large volumes of debt that needs to be repaid.

One of the aims of government's debt management strategy is to maintain a smooth debt maturity profile. Refinancing risk is reduced through an active switch programme whereby short dated bonds are exchanged for longer-term bonds.

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Refinancing risk benchmarks

Indicator	31 March 2021	31 March 2020
Treasury bills as % of domestic debt	12.9	11.8
Long-term debt maturing in 5 years as % of bonds	15.9	15.3
Weighted term-to-maturity of fixed-rate bonds plus Treasury bills (in years)	11.8	12.5
Weighted term-to-maturity of inflation-linked bonds (in years)	13.2	13.7

Credit Risk

Credit risk exposure from explicit contingent portfolio

The explicit contingent liabilities of government consist mainly of government guarantees issued to state-owned companies (SOCs), Public-Private Partnerships (PPPs) as well as Independent Power Producers (IPPs).

The explicit contingent liability portfolio of government exposes government to credit risk, in that, should the guaranteed entities fail to settle their government guaranteed financial obligations; government as the guarantor will have to settle the obligations in default on behalf of the entities.

As at 31 March 2021, guarantees to public institutions increased by R96.2 billion, from R484.8 billion in 2019/20 to R581 billion. This is mainly due to the government guarantee of R100 billion issued to the SARB as part of a bank loan guarantee scheme introduced to assist Covid-19 affected businesses while guarantees issued to Denel and South African Express declined during the year as the entities received recapitalisation that was used to pay maturing debt.

As at 31 March 2021, the guarantee exposure amount decreased from R413.7 billion in 2019/20 to R410.3 billion. Changes in the exposure amount were due to a portion of Eskom debt maturing, the repayment of a portion of South African Airways debt through a recapitalisation while R13.3 billion of the loan guarantee facility was utilised.

Counterparty risk exposure from investment of government surplus cash

Government's surplus cash is invested with four South African commercial banks, namely: Standard Bank, First National Bank, ABSA and Nedbank. As at 31 March 2021, the total surplus cash invested with the banks amounted to R198.6 billion (2019/20: R44.5 billion).

The risk that emanates from government's surplus cash investments with the banks is the possibility that as a result of these banks being in financial distress; government will not be able to access its deposits when needed.

The amount of government surplus cash invested with each of the four banks is based on government's risk assessment of each bank. The bank with the highest risk out of the four banks is allocated the lowest amount of surplus cash while the bank with the lowest risk is allocated the highest amount of surplus cash. As at 31 March 2021, the prescribed ratios for the investment of surplus cash with the four banks was 25 per cent for the each of the banks. However, government's risk exposure to the banks was more inclined towards Nedbank Group and therefore the surplus cash allocations deviated from the prescribed ratios.

Sovereign Risk

Sovereign credit ratings play an important role in a country's ability to access capital markets, as they influence investor perceptions of the quality of its debt. Credit rating agencies carry out annual reviews of South Africa's credit-worthiness. However, since the inception of the European Union's Credit Regulation Act 3 in 2013, European-based credit rating agencies are obliged to review their credit ratings every six months. South Africa continues to solicit ratings from four major rating agencies: Moody's Investors Service (Moody's), S&P Global Ratings (S&P), Fitch Ratings (Fitch) and Rating and Investment Information, Inc. (R&I).

The Coronavirus (Covid-19) pandemic has further exposed vulnerabilities of the South African economy. South Africa's credit profile remains constrained by weak economic growth environment, widespread

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

fiscal pressures, including rising borrowing costs and continuous financial support to state owned companies (SOCs). These constraints identified by the agencies, led to the sovereign further moving down into the non-investment grade category.

On 3 April 2020, Fitch Ratings (Fitch) downgraded the country's long term foreign and local currency debt ratings to 'BB' from 'BB+' and maintained a negative outlook. On 21 April 2020, President Ramaphosa announced a R500 billion Covid-19 stimulus package for South Africa. This allocation added more pressure on the already weak government balance sheet. On 29 April 2020, S&P also downgraded the country's long-term foreign and local currency debt ratings to 'BB-' and 'BB' respectively, while it revised the outlook to stable from negative. The agency then affirmed the country's long-term foreign and local currency debt ratings at 'BB-' and 'BB' on 22 May 2020. R&I, on 5 June 2020, lowered the country's long-term foreign and local currency debt ratings to 'BBB-' and 'BBB' respectively, and maintained the negative outlook.

Subsequent to the tabling of the 2020 Medium Term Budget Policy Statement (MTBPS), Moody's and Fitch, on 20 November 2020, further downgraded the sovereign's credit ratings to 'Ba2' and 'BB-', respectively. Both agencies maintained a negative outlook. On the same day, S&P, contrary to Moody's and Fitch, affirmed the country's foreign and local currency ratings at 'BB-' and 'BB', respectively, and maintained a stable outlook. According to the agencies, lack and/or slow pace of structural reform implementation aimed at reviving economic growth and lack of a clear path towards government's debt stabilisation remain the main credit constraints. Further, the impact of the Covid-19 shock on the already deteriorating public finances exacerbates pressures on the country's ratings.

The table below shows the current ratings from the solicited rating agencies. R&I is the only rating agency that still has the country's credit ratings at investment grade. Credit ratings from Moody's and Fitch remain the most worrisome in the short term as they carry negative outlooks.

Table: South Africa's Credit Ratings by all Solicited CRAs

Rating Agency	Latest credit rating action	Action	LTFC ¹	LTLC ²	Outlook
R&I	05 June 2020	Downgrade	BBB-	BBB	Negative
S&P	20 November 2020	Affirmation	BB-	BB	Stable
Fitch	20 November 2020	Downgrade	BB-	BB-	Negative
Moody's	20 November 2020	Downgrade	Ba2	Ba2	Negative

¹LTFC = Long Term Foreign Currency Rating, ²LTLC = Long Term Local Currency Rating

54 Non-adjusting events after reporting date

Departmental merges

On 29 May 2019, President Ramaphosa through a proclamation announced the merger of some departments, which resulted with the following newly reconstituted departments:

- The Department of Agriculture, Land Reform and Rural Development (DALRRD) arising from the merger of the Department of Agriculture, Forestry and Fisheries (DAFF) (without the forestry and fisheries portfolios) and the Department of Rural Development and Land Reform (DRDLR).
- The Department of Communications and Digital Technologies (DCDT) arising from the merger of the Department of Communications (DOC) and the Department of Telecommunications and Postal Services (DTPS).
- The Department of the Environment, Forestry and Fisheries (DEFF) arising from the transfer of the forestry and fisheries functions from the Department of Agriculture, Forestry and Fisheries.
- The Department of Mineral Resources and Energy (DMRE) arises from a merger of the Department of Mineral Resources and the Department of Energy.
- The Department of Sports, Arts and Culture (DSAC) arises from the merger of the Department of Sport and Recreation and the Department of Arts and Culture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

- The Department of Trade, Industry and Competition (DTIC) arises as the Economic Development Department (EDD) is disestablished and incorporated into the Department of Trade and Industry (DTI)
- The Minister of Higher Education, Science and Technology is responsible for the Department of Higher Education and Training (DHET) and the Department of Science and Innovation (DSI), which moved to the Social services cluster.

The effective date of all the above was 1 April 2020.

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

■ CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Note	Central Government Administration	Economic Services and Infrastructure Development	Financial Administration Services	Justice and Protection Services	Social Services
		2020/21	2020/21	2020/21	2020/21	2020/21
REVENUE						
Annual Appropriation	2	124 753 532	152 450 369	116 994 208	208 959 316	422 238 140
Statutory Appropriation	3	484 189	-	410 298	3 560 390	13 025 290
Departmental Revenue	5	164 110	901 865	6 940 654	2 417 197	61 650
Aid assistance		-	626 528	288 025	108 277	1 100 336
TOTAL REVENUE		125 401 831	153 978 762	124 633 185	215 045 180	436 425 416
EXPENDITURE						
Current expenditure						
Compensation of employees	8	6 531 096	10 889 893	3 220 321	143 044 219	13 056 993
Goods and services	9	6 390 295	11 312 138	2 492 666	43 671 783	5 603 386
Interest and rent on land	10	118 103	47 505	11	2 417	42 661
Aid assistance		-	29 281	164 778	57 746	956 013
Total current expenditure		13 039 494	22 278 817	5 877 776	186 776 165	19 659 053
Transfers and subsidies						
Transfers and subsidies	13	107 956 487	117 431 439	23 935 095	9 910 348	410 662 651
Aid assistance		-	523 929	-	38 224	90 054
Total transfers and subsidies		107 956 487	117 955 368	23 935 095	9 948 572	410 752 705

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

	Note	Central Government Administration	Economic Services and Infrastructure Development	Financial administration Services	Justice and Protection Services	Social Services
		2019/20	2019/20	2019/20	2019/20	2019/20
Expenditure for capital assets						
Tangible assets	11.1	240 995	3 692 475	361 412	6 010 868	2 106 022
Intangible assets	11.2	5 012	66 671	16 315	278 732	28 167
Total expenditure for capital assets		246 007	3 759 146	377 727	6 289 600	2 134 189
Unauthorised expenditure approved without funding		-	-	-	-	-
Payments for financial assets	14	86 398	2 335 623	86 313 685	242 365	7 635
TOTAL EXPENDITURE		121 328 386	146 328 954	116 504 283	203 256 702	432 553 582
SURPLUS/(DEFICIT) FOR THE YEAR		4 073 445	7 649 808	8 128 902	11 788 478	3 871 834
Reconciliation of Net Surplus/(Deficit) for the year						
Voted Funds		3 909 335	6 674 625	1 065 001	9 362 247	3 769 138
Departmental revenue and NRF Receipts		164 110	901 865	6 940 654	2 417 197	61 650
Aid assistance		-	73 318	123 247	9 034	41 046
SURPLUS/(DEFICIT) FOR THE YEAR		4 073 445	7 649 808	8 128 902	11 788 478	3 871 834

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

■ CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Central Government Administration	Economic Services and Infrastructure Development	Financial administration Services	Justice and Protection Services	Social Services
Note	2020/21	2020/21	2020/21	2020/21	2020/21
ASSETS					
Current Assets	5 614 033	8 465 917	4 601 015	20 615 224	20 201 315
Unauthorised expenditure	1 115 487	2 035 599	185 371	6 708	15 140 276
Cash and cash equivalents	3 961 818	5 804 837	4 052 356	16 307 261	2 041 598
Other financial assets	20 609	877	-	-	-
Prepayments and advances	148 471	383 133	35 120	491 189	914 427
Receivables	367 648	226 423	328 168	3 810 066	2 022 084
Loans	-	881	-	-	3 158
Aid assistance prepayments	-	-	-	-	-
Aid assistance receivable	-	14 167	-	-	79 772
Non-Current Assets	269 692	23 851 374	274 310 063	1 979 479	1 381 840
Investments	-	22 411 847	274 290 135	182 164	-
Receivables	200 673	71 944	19 928	1 797 315	1 379 901
Loans	-	1 366 940	-	-	1 939
Other financial assets	69 019	643	-	-	-
TOTAL ASSETS	5 883 725	32 317 291	278 911 078	22 594 703	21 583 155

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

	Central Government Administration	Economic Services and Infrastructure Development	Financial administration Services	Justice and Protection Services	Social Services
	2020/21	2020/21	2020/21	2020/21	2020/21
LIABILITIES					
Current Liabilities	5 000 320	8 369 159	4 612 397	11 012 896	20 372 124
Voted funds to be surrendered to the Revenue Fund	4 066 717	5 791 573	1 065 001	6 404 872	3 785 520
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	159 364	65 757	73 935	2 442 038	9 980
Bank overdraft	310 796	1 629 316	-	1 871 999	15 992 899
Payables	463 443	826 422	3 178 660	260 901	462 836
Aid assistance repayable	-	17 745	117 753	1 132	115 310
Aid assistance unutilised	-	38 346	177 048	31 954	5 579
Non-Current Liabilities					
Payables	530 625	63	371	835	1 122 899
TOTAL LIABILITIES	5 530 945	8 369 222	4 612 768	11 013 731	21 495 023
NET ASSETS	352 780	23 948 069	274 298 310	11 580 972	88 132
Represented by:					
Capitalisation reserve	-	23 777 890	274 290 135	75 000	5 097
Recoverable revenue	(36 022)	170 179	8 175	1 257 189	77 783
Retained funds	388 802	-	-	10 248 783	5 252
TOTAL	352 780	23 948 069	274 298 310	11 580 972	88 132

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

■ CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

	Central Government Administration	Economic Services and Infrastructure Development	Financial administration Services	Justice and Protection Services	Social Services
Note	2019/20	2019/20	2019/20	2019/20	2019/20
OPERATING INCOME					
2	108 816 616	133 147 326	92 025 715	203 671 434	366 750 022
3	607 772	-	-	3 362 241	18 283 844
5	123 499	1 140 646	8 644 445	3 512 394	352 302
	3 073	257 472	142 389	179 091	1 215 442
	109 550 960	134 545 444	100 812 549	210 725 160	386 601 610
EXPENDITURE					
Current expenditure					
8	6 445 094	4 525 366	3 340 096	142 281 666	13 173 235
9	7 518 000	7 693 939	2 380 460	45 879 425	5 534 443
10	106 353	32 466	446	520	50 628
	2 228	3 723	73 458	108 695	797 961
	14 071 675	12 255 494	5 794 460	188 270 306	19 556 267
Transfers and subsidies					
13	91 343 957	112 326 158	24 143 032	9 969 837	377 056 580
	-	250 309	131	41 666	39 069
	91 343 957	112 576 467	24 143 163	10 011 503	377 095 649

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

	Note	Central Government Administration 2019/20	Economic Services and Infrastructure Development 2019/20	Financial administration Services 2019/20	Justice and Protection Services 2019/20	Social Services 2019/20
Expenditure for capital assets						
Tangible assets	11.1	171 855	2 859 518	349 990	6 520 428	2 147 848
Intangible assets	11.2	18 438	77 755	4 111	341 591	8 073
Total expenditure for capital assets		190 293	2 937 273	354 101	6 862 019	2 155 921
Unauthorised expenditure approved without funding		-	-	-	-	705
Payments for financial assets	14	54 591	3 271 521	60 883 707	84 513	252 489
TOTAL EXPENDITURE		105 660 516	131 040 755	91 175 431	205 228 341	399 061 031
SURPLUS/(DEFICIT) FOR THE YEAR		3 890 444	3 504 689	9 637 118	5 496 819	(12 459 421)
Reconciliation of Net Surplus/(Deficit) for the year						
Voted Funds		3 766 461	2 360 603	923 873	1 963 965	(13 154 736)
Departmental revenue and NRF Receipts		123 499	1 140 646	8 644 445	3 512 394	352 302
Aid assistance		484	3 440	68 800	20 460	343 013
SURPLUS/(DEFICIT) FOR THE YEAR		3 890 444	3 504 689	9 637 118	5 496 819	(12 459 421)

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Central Government Administration	Economic Services and Infrastructure Development	Financial administration Services	Justice and Protection Services	Social Services
Note	2019/20	2019/20	2019/20	2019/20	2019/20
ASSETS					
Current Assets	5 299 883	4 541 968	2 414 645	13 776 386	18 336 687
12 Unauthorised expenditure	965 356	1 984 995	185 371	6 708	15 140 276
15 Cash and cash equivalents	3 618 114	1 529 762	2 111 348	9 762 403	1 688 081
Other financial assets	19 687	507	-	-	-
16 Prepayments and advances	326 452	446 377	30 087	367 024	574 067
17 Receivables	370 274	546 332	87 839	3 638 129	906 134
18 Loans	-	894	-	-	3 200
Aid assistance receivable	-	33 101	-	2 122	24 929
Non-Current Assets	280 912	21 727 042	193 615 814	1 836 179	1 239 098
19 Investments	-	20 084 891	193 595 789	182 164	-
17 Receivables	213 190	68 335	20 025	1 654 015	1 234 071
18 Loans	-	1 572 930	-	-	5 027
Other financial assets	67 722	886	-	-	-
TOTAL ASSETS	5 580 795	26 269 010	196 030 459	15 612 565	19 575 785

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

For the year ended 31 March 2021

	Central Government Administration	Economic Services and Infrastructure Development	Financial administration Services	Justice and Protection Services	Social Services
	2019/20	2019/20	2019/20	2019/20	2019/20
LIABILITIES					
Current Liabilities	4 851 401	4 054 899	2 425 413	6 977 037	18 423 847
Voted funds to be surrendered to the Revenue Fund	4 002 603	2 495 988	974 813	1 942 018	1 931 607
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	162 499	32 094	808 443	2 441 604	258 766
Bank overdraft	183 192	1 300 374	138 952	1 887 060	15 482 252
Payables	503 107	211 963	274 195	688 345	418 820
Aid assistance repayable	-	12 773	57 363	4 018	332 286
Aid assistance unutilised	-	1 707	171 647	13 992	116
Non-Current Liabilities					
Payables	534 115	186	671	266	1 087 159
TOTAL LIABILITIES	5 385 516	4 055 085	2 426 084	6 977 303	19 511 006
NET ASSETS	195 279	22 213 925	193 604 375	8 635 262	64 779
Represented by:					
Capitalisation reserve	-	21 450 935	193 595 789	75 000	8 227
Recoverable revenue	78 329	762 990	8 586	1 259 886	26 300
Retained funds	116 950	-	-	7 300 376	30 252
TOTAL	195 279	22 213 925	193 604 375	8 635 262	64 779

ANNEXURES: NAMES OF GOVERNMENT DEPARTMENTS

For the year ended 31 March 2021

Central Government Administration	
	The Presidency
	Parliament
DIRCO	International Relations and Cooperation
DCOG	Cooperative Governance
DPW	Public Works and Infrastructure
DW	Women, Youth and Persons with Disabilities
DPME	Planning, Monitoring and Evaluation
DTA	Traditional Affairs
Economic Services and Infrastructure Development	
DALRRD	Agriculture, Land Reform and Rural Development
DCO	Communications and Digital Technologies
DEA	Environment, Forestry and Fisheries
DHS	Human Settlements
DMR	Mineral Resources and Energy
TOURISM	Tourism
DTIC	Trade, Industry and Competition
DOT	Transport
DWS	Water and Sanitation
DSBD	Small Business Development
Financial administration Services	
GCIS	Government Communication and Information System
NT	National Treasury
DPE	Public Enterprises
DPASA	Public Service and Administration
PSC	Public Service Commission
NSG	National School of Government
STATSSA	Statistics South Africa
CPSI	Centre for Public Service Innovation

ANNEXURES: NAMES OF GOVERNMENT DEPARTMENTS

For the year ended 31 March 2021

Justice and Protection Services	
SAPS	Police
IPID	Independent Police Investigative Directorate
DCORR	Correctional Services
DOJCD	Justice and Constitutional Development (Incl. National Prosecuting Authority)
DOD	Defence
DMV	Military Veterans
CSP	Civilian Secretariat
OCJ	Office of the Chief Justice
DHA	Home Affairs
Social Services	
DSAC	Sports, Arts and Culture
DBE	Basic Education
DHE	Higher Education and Training
HEALTH	Health
DOL	Labour and Employment
DSD	Social Development
DST	Science and Technology

The logo consists of the letters 'CFS' in a bold, white, sans-serif font, enclosed within a thin yellow square border.

CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

**REVIEW OF
OPERATING RESULTS**

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Public entities

The Consolidated Financial Statements (CFS) incorporate the financial statements of the national public entities including entities and enterprises under the ownership control of government, constitutional institutions, and trading entities as listed in the schedules to the Public Finance Management Act (PFMA), Act 1 of 1999. Where entities are identified during the year, but not yet listed, these unlisted entities are also included in the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board (ASB) in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999). In particular, the principles of GRAP 6: Consolidated and Separate Financial Statements have been applied to the development of the accounting policies supporting this consolidation. A specific policy statement has been developed for this set of consolidated financial statements and entities are required to convert to the GRAP reporting framework and follow the National Treasury (NT) accounting policies. The consolidated financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The approach used by NT is as follows:

- NT makes use of a consolidation software solution in the consolidation process.
- This template is sent to the public entities for completion.
- The auditors review and sign the templates off to ensure that the figures on the template agree to the figures published in the entities' AFS, that conversion journals were identified where applicable and that inter-entity worksheets were completed.
- Where this process has not been performed by the auditors, the templates received from the entity are considered draft templates. The details of these templates are listed in the various annexures to the consolidated financial statements.
- NT then uses these templates as a source to the consolidation model.

Consolidations statistics

In terms of Section 47(1)(a) and (b) of the PFMA, the Minister, by notice in the national Government Gazette, must amend Schedule 3 to include all public entities not listed and make technical changes to the list. Furthermore per Section 47(2), the accounting authority for a public entity that is not listed in either Schedule 2 or 3, must without delay notify the National Treasury in writing that the public entity is not listed. As a result, all listed entities were identified as per the list on NT website and have thus been consolidated, except for those listed as per Annexure C.

The updated list of entities that will be consolidated is published on the Treasury website as at 24 May 2019. As mentioned above, the consolidated financial statements also include some entities not listed on the PFMA Schedules but falling within the criteria to consolidate. Confirmation is sent annually to all departments to confirm the entities under control of the departments. NT continued to strive for a 100% consolidation of all listed and known public entities and the OAG placed an extra emphasis on a proactive approach in collecting financial information and assisting entities with completing the consolidation templates. In certain circumstances, listed national entities and known non listed entities that must be consolidated are excluded if no templates are forwarded for reasons beyond the OAG's intervention.

All Annexures refer to the Annexures of the Consolidated Financial Statements.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

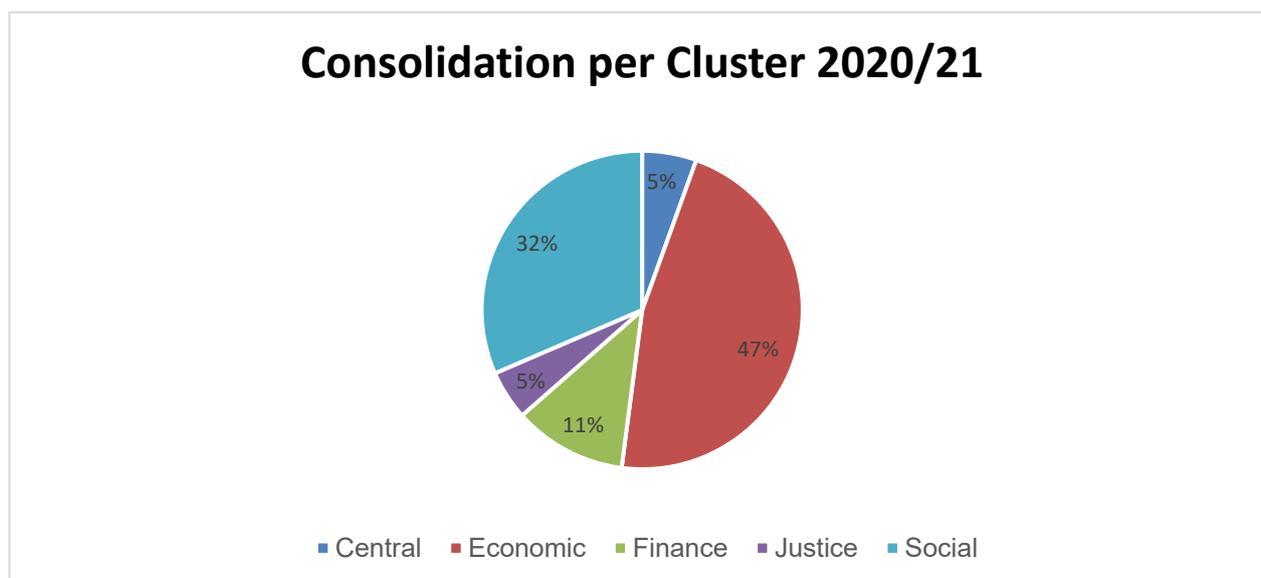
The following is a statistical consolidation summary:

	Actual 2020/21		Actual 2019/20	
	Listed entities	Non Listed entities	Listed entities	Non Listed entities
Total Entities	203	13	202	13
Consolidated	195	12	198	12
Not consolidated	8	1	4	1

In 2020/21, a total of 207 entities were consolidated, please refer to Annexure A. Of the total entities consolidated, a total of 195 (97%) of listed entities are consolidated. The total number of listed consolidated entities in the current year is 2% less than that of the previous where 198 of the listed entities were consolidated. A total of 12 non listed entities were consolidated in 2020/21.

There are entities whose reporting date differs from the reporting date of other public entities, however these entities have been included as part of the consolidation. These entities are disclosed in Annexure C of this report.

The Economic and Infrastructure Services cluster contributes the largest proportion (47%) of total number of entities consolidated, followed by the Social Services cluster (32%), Finance Services cluster (11%), Central Services cluster (5%) and lastly, the Justice and Protection Services cluster (5%).



Consistency in the entities being consolidated

Achieving consistency in the entities being consolidated every year is a challenge, as some entities were consolidated in the current year but not in the previous year and by the same token some were consolidated in the previous year but not in the current year and some were disestablished during the year. This inconsistency contributes to the variance in the opening balances or prior year figures as compared to figures published in the 2020/21 financial year.

Below is a list of annexures to the consolidated financial statements that gives a comparative breakdown of entities consolidated, those not consolidated and other information to illustrate inconsistencies in the number of entities Consolidated and challenges related thereto.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

- **Annexure A** – Lists of entities consolidated
- **Annexure B** – Lists of entities not consolidated but included in the PFMA list
- **Annexure C** – Lists of entities consolidated with year ends other than 31 March 2021
- **Annexure D** - Lists of entities consolidated based on draft annual financial statements

Financial Performance

Total revenue

Total revenue for the year under review decreased by 6% from R710 billion in 2019/20 to R664 billion in 2020/21. Non-exchange revenue consisting of government grants and subsidies, public contributions and donations, transfers and sponsorships, fines and penalties, legislative and oversight functions, taxation revenue and licences and permits, decreased by 2%.

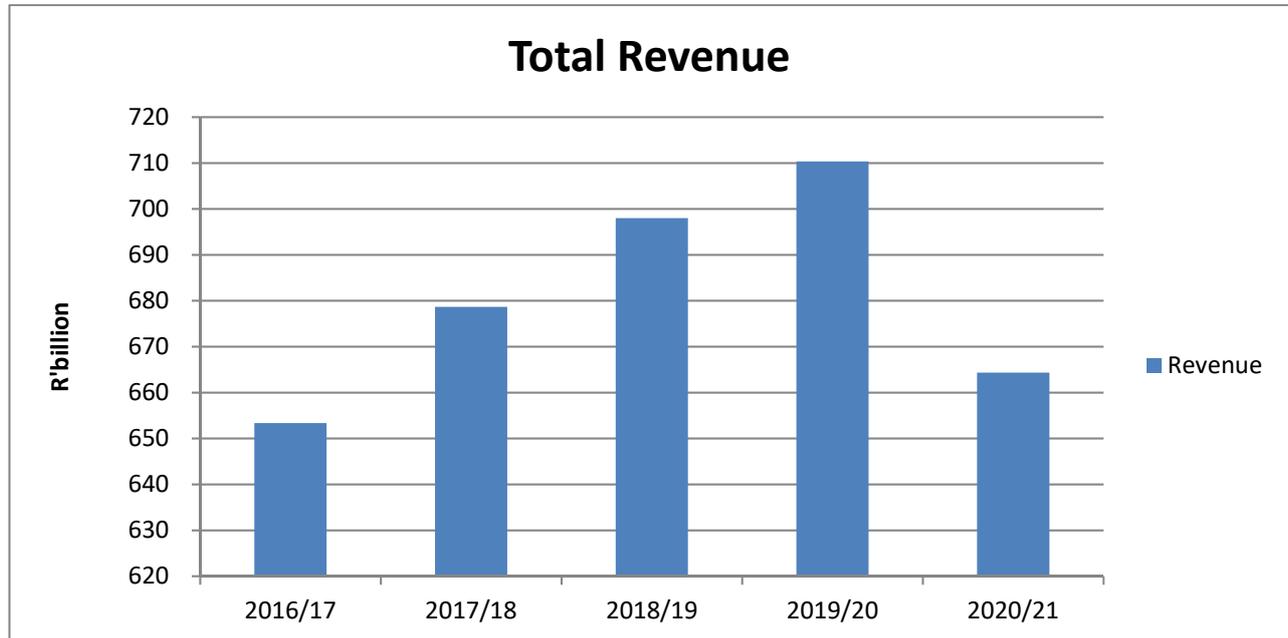
Exchange revenue for both 2020/21 and 2019/20 constitutes 69% and 71% of total revenue respectively in the respective years. The major drivers of exchange revenue are sale of goods and rendering of services, rental of facilities and equipment, interest earned from external investments and outstanding receivables as well as other income. Sale of goods and rendering of services constitutes 84% of exchange revenue and 58% of total revenue in the current year.

Revenue	Actual 2020/21 R'million	Actual 2019/20 R'million
Revenue from non-exchange transactions		
Government grants and subsidies	101 610	97 356
Public contributions and donations	22 547	25 315
Transfers and Sponsorships	7 293	8 092
Fines and Penalties	428	998
Legislative and Oversight functions	70 655	72 735
Taxation revenue	5 185	7 773
Licences and permits	467	545
	208 185	212 814
Revenue from exchange transactions		
Sale of Goods & Rendering of Services	382 190	397 506
Rental of facilities and equipment	5 385	7 450
Interest earned - external investments	44 450	59 102
Interest earned - outstanding receivables	6 761	7 240
Other income	16 552	25 429
Licences and permits	801	804
	456 138	497 531
TOTAL REVENUE	664 323	710 345

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Total Revenue



Although growth in revenue has remained relatively stable at an average of 3% from 2016/17 financial year to 2019/20, there has been a decline of 6% in the current year. The finance cluster is the major driver of revenue making up 49% of total revenue followed by the economic cluster making up 31% of total revenue. Approximately 64% of the revenue generated from the finance cluster is through Eskom with total revenue of R209 billion. In 2020/21 financial year, CEF, IDC, PRASA, RAF and SANRAL collectively contributed 49% of the revenue within economic cluster, remaining the same as the previous year with a combined total of R101 billion (cluster total revenue of R206 billion). These entities derive revenue through exchange and non-exchange transactions.

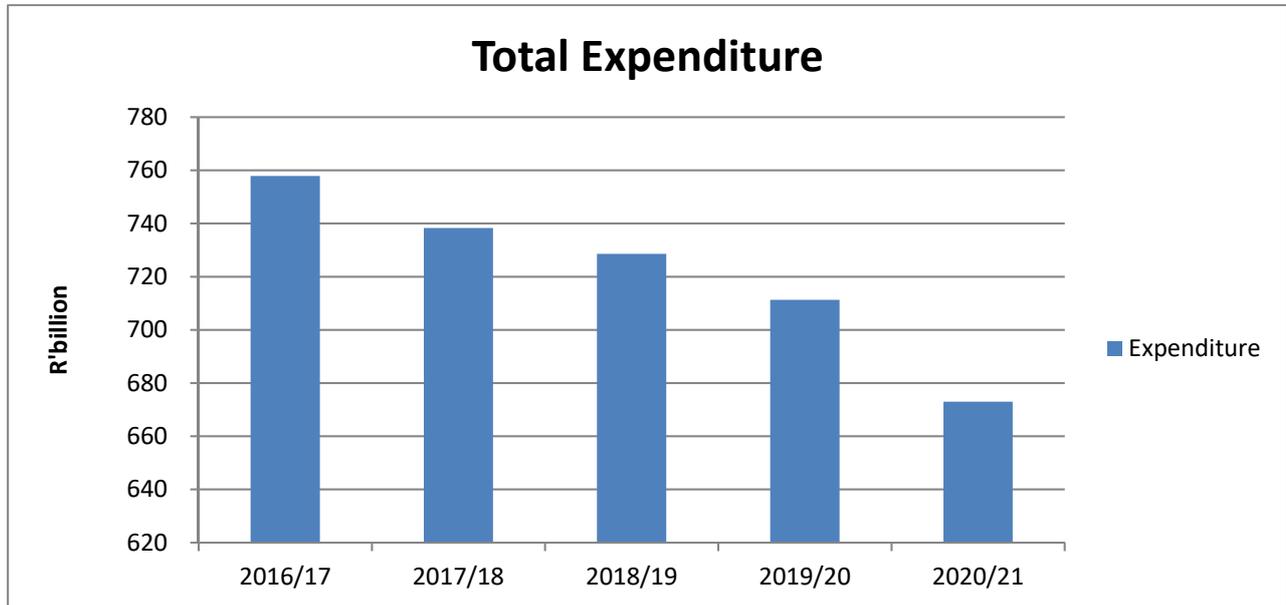
Total expenditure

Analysis of total expenditure	Actual 2020/21 R'million	Actual 2019/20 R'million
Employee related costs	141 116	134 176
Repairs and maintenance	21 217	19 114
Depreciation and amortisation expense	62 646	65 307
Contracted services	6 024	4 988
Grants and subsidies paid	22 990	26 284
Finance costs	71 629	81 019
General expenses	344 897	375 679
Bad debts	1 932	4 159
Non Profit institutions and donor project expenses	493	533
Total expenditure	672 944	711 259

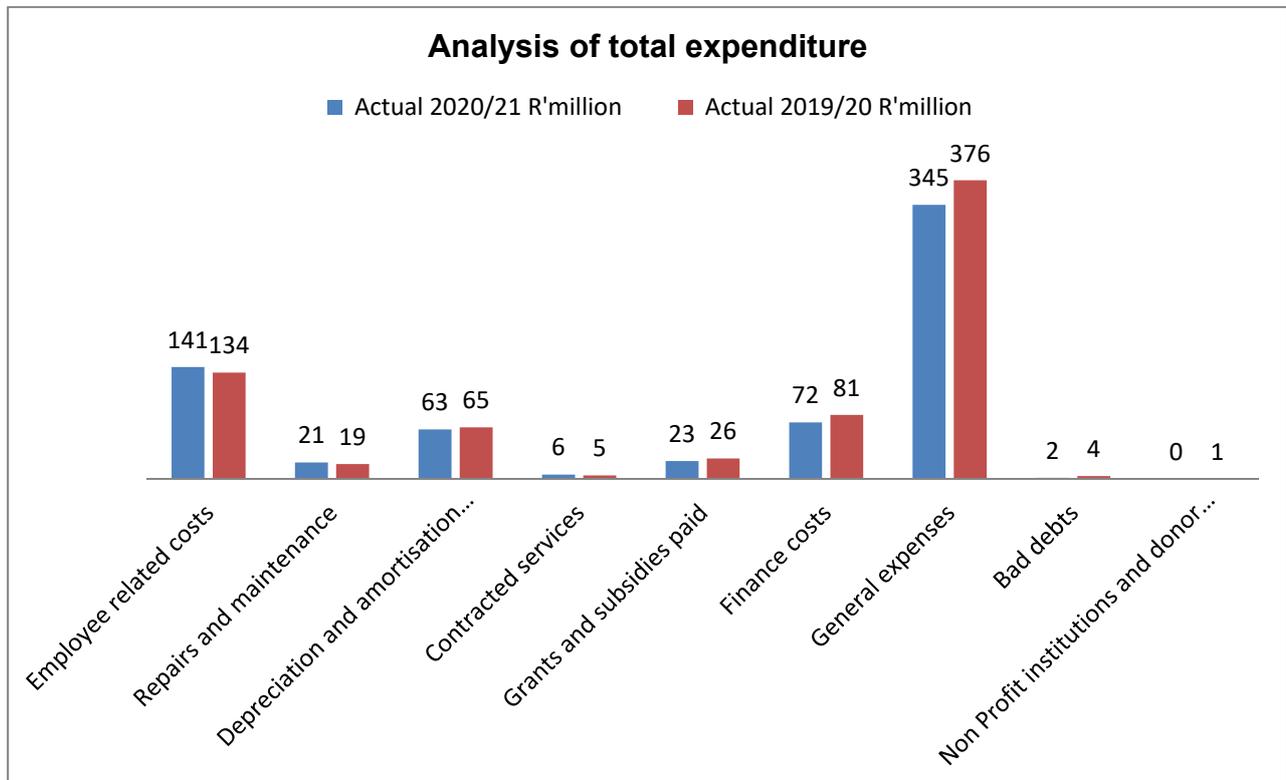
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Total expenditure



Analysis of Total expenditure



Total expenditure amounted to R673 billion for the current year which is a R38 billion decrease from the prior year's total of R711 billion. The economic cluster and the finance cluster accounts for 28% and 52% of total expenditure, respectively.

REVIEW OF OPERATING RESULTS

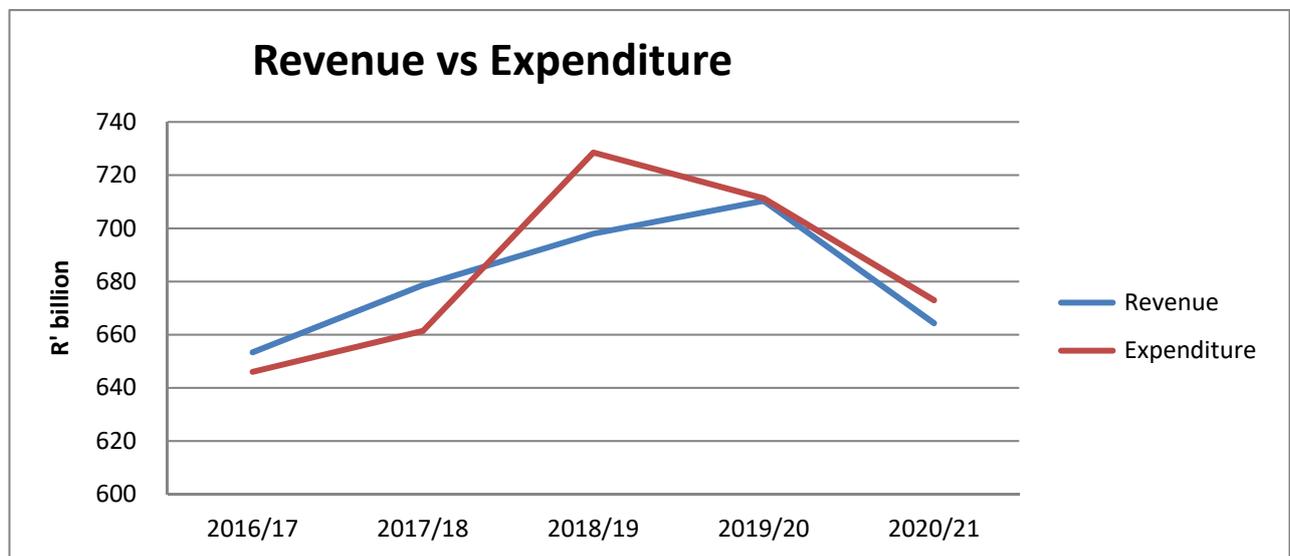
For the year ended 31 March 2021

Employee related costs and general expenses account for 72% of total expenditure; with general expenses at 51% and employee related costs at 21% of total expenditure. The main expenditure items under general expenses are cost of sales (47%), bursaries (11%) and administration fees (11%).

The table below shows comparative revenue, expenditure and resultant surplus for the last five financial years.

Revenue vs. Expenditure R'million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Revenue	653 364	678 653	697 992	710 345	664 323
Expenditure	646 029	661 404	728 527	711 259	672 944
Surplus/(Deficit) from operations	7 335	17 249	(30 535)	(914)	(8 621)

Revenue vs. Expenditure



A deficit from operations has worsened by 843% in the current year from a deficit of R914 million in the prior year to a deficit of R8.6 billion. The deficit is mainly due to a significant decline in revenue for Transnet which decreased by R8 billion to R 67 billion in 2020/21 (2019/20: R75 billion). The entity's major revenue comes from sale of goods & rendering of services contributing 96% of the total revenue of Transnet which decreased by 11% in the current year. The number of loss making entities have increased including the value of deficit.

Loss / Deficit making Public Entities

The following is a list of the entities which have disclosed losses/deficits for the current year

Name of Entity Schedule 1	2020/21 R'000	2019/20 R'000	Movement in Loss R'000
Financial & Fiscal Commission	(2 236)	5 604	(7 841)
Municipal Demarcation Board	(3)	8 866	(8 869)
	(2 239)	14 470	(16 709)

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Name of Entity	2020/21	2019/20	Movement in
	R'000	R'000	Loss
Schedule 2			R'000
Air Traffic and Navigation Services Company Limited	(578 228)	67 298	(645 527)
Airports Company of South Africa Ltd	(2 560 538)	1 380 068	(3 940 606)
Broadband Infraco	(106 330)	(111 001)	4 671
CEF (Pty) Ltd	(303 095)	(5 263 874)	4 960 779
ESKOM	(18 932 131)	(20 768 772)	1 836 641
Industrial Development Corporation of South Africa Limited	(33 000)	(3 789 000)	3 756 000
LANDBANK	(1 067 545)	(1 283 860)	216 315
South African Broadcasting Corporation Limited	(530 175)	(511 378)	(18 797)
South African Forestry Company Limited	(44 822)	(66 335)	21 513
South African Nuclear Energy Corporation Limited	(297 175)	(249 351)	(47 824)
South African Post Office Limited	(2 418 755)	(5 340 388)	2 921 632
Transnet Limited	(8 142 541)	3 281 433	(11 423 974)
	(35 014 336)	(32 655 159)	(2 359 177)

Name of Entity	2020/21	2019/20	Movement in
	R'000	R'000	Loss
Schedule 3A			R'000
African Renaissance International Cooperation Fund	(158 241)	20 120	(178 361)
Agrément South Africa	(2 581)	1 507	(4 087)
Artscape	(3 193)	(13 667)	10 474
Brand SA	(333)	4 230	(4 563)
Construction Education and Training Authority	(378 981)	(504 516)	125 535
Council for Geoscience	(773)	65 047	(65 821)
Council for Medical Schemes	(348)	(25 163)	24 815
Council for the Built Environment	(165)	(628)	462
Die Afrikaanse Taal Museum	(166)	143	(309)
Education, Training and Development Practices SETA	(237 411)	(126 493)	(110 918)
Energy & Water Sector Education and Training Authority	(134 839)	(6 962)	(127 877)
Fibre Processing Manufacturing Sector Education and Training	(81 263)	(27 993)	(53 270)
Financial and Accounting Services SETA	(50 277)	(6 729)	(43 548)
Financial Intelligence Centre	(14 250)	(4 115)	(10 135)
Freedom Park Trust	(467 261)	(284 059)	(183 202)
Health and Welfare Sector Education and Training Authority	(429 326)	(105 697)	(323 629)
Inkomati-Usuthu Catchment Management Agency	(1 669)	45 901	(47 570)
Insurance Sector Education and Training Authority	(89 002)	(20 411)	(68 591)
International Trade Administration Commission	(1 115)	3 803	(4 917)
Iziko Museums of South Africa	(11 292)	260	(11 553)
Kwa-Zulu Natal Museum	(3 946)	(2 376)	(1 570)
Media Development Diversity Agency	(821)	21 218	(22 040)
Media, Information and Communication Technologies Sector Edu	(56 465)	(38 632)	(17 833)
Mine Health and Safety Council	(11 528)	(20 238)	8 710
National Arts Council of South Africa	(2 806)	3 649	(6 455)
National Consumer Commission	(1 008)	5 686	(6 694)
National Electronic Media Institute of South Africa	(270)	(1 606)	1 336
National Energy Regulator of South Africa	(5 309)	4 875	(10 184)
National Library of South Africa	(10 745)	2 891	(13 636)
National Museum, Bloemfontein	(13 471)	13 470	(26 942)
National Regulator for Compulsory Specifications	(49 244)	29 661	(78 905)
National Research Foundation	(95 910)	(45 936)	(49 974)
National Youth Development Agency	(4 757)	8 466	(13 223)
Playhouse Company	(16 632)	(13 208)	(3 424)
Public Service Sector Education and Training Authority	(11 922)	(1 992)	(9 931)
Robben Island Museum	(55 007)	10 419	(65 426)

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Name of Entity	2020/21	2019/20	Movement in Loss
Schedule 3A	R'000	R'000	R'000
South African Civil Aviation Authority	(139 376)	93 032	(232 408)
South African Health Products Regulatory Authority	(24 758)	31 205	(55 963)
South African Maritime Safety Authority	(15 951)	10 410	(26 361)
South African National Biodiversity Institute	(78 612)	41 260	(119 872)
South African National Energy Development Institute	(75 984)	21 694	(97 678)
South African National Parks	(78 009)	234 817	(312 827)
South African Qualifications Authority	(7 141)	4 477	(11 618)
South African State Theatre	(7 485)	(10 065)	2 580
South African Tourism	(142 998)	121 772	(264 771)
South African Weather Service	(16 579)	(46 716)	30 137
Transport Education and Training Authority	(157 666)	70 903	(228 569)
uMalusi Council for Quality Assurance in General and Further	(7 021)	(9 651)	2 630
uMsunduzi Museum (Includes Voortrekker Museum)	(687)	601	(1 287)
Wholesale and Retail Sector Education and Training Authority	(194 662)	129 705	(324 368)
	(3 349 262)	(315 631)	(3 033 630)

Name of Entity	2020/21	2019/20	Movement in Loss
Schedule 3B	R'000	R'000	R'000
Lepelle Northern Water	(103 588)	(99 491)	(4 097)
South African Bureau of Standards	(43 557)	(61 575)	18 018
	(147 145)	(161 066)	13 921

Name of Entity	2020/21	2019/20	Movement in Loss
Unlisted	R'000	R'000	R'000
Agricultural Land Holding Account	(669 088)	1 384 987	(2 054 075)
Amazwi South African Museum of Literature	(102)	(277)	175
Auditor General of South Africa	(293 000)	189 954	(482 954)
Commission on Restitution of Land Rights	(53)	(130)	77
Equalisation Fund	(544 861)	(461 828)	(83 033)
Government Pensions Administration Agency	(26 364)	(28 659)	2 295
Government Technical Advisory Centre (GTAC)	(15 148)	(10 816)	(4 332)
Represented Political Parties Fund	(758)	(827)	69
	(1 549 374)	1 072 403	(2 621 777)

Loss/deficit making public entities accounts for 36% (34% in 2019/20) of entities consolidated while profit/surplus making entities accounts for 64% of the consolidated entities. Transnet had the highest loss with R11 billion decrease in the current year from a surplus of R3 billion in the 2019/20 financial year. This was mainly attributable to an R11 billion decrease in total revenue and a R5 billion increase in general expenses, specifically audit fees. Eskom decreased their deficit from R21 billion in 2019/20 to R19 billion in 2020/21.

Financial position

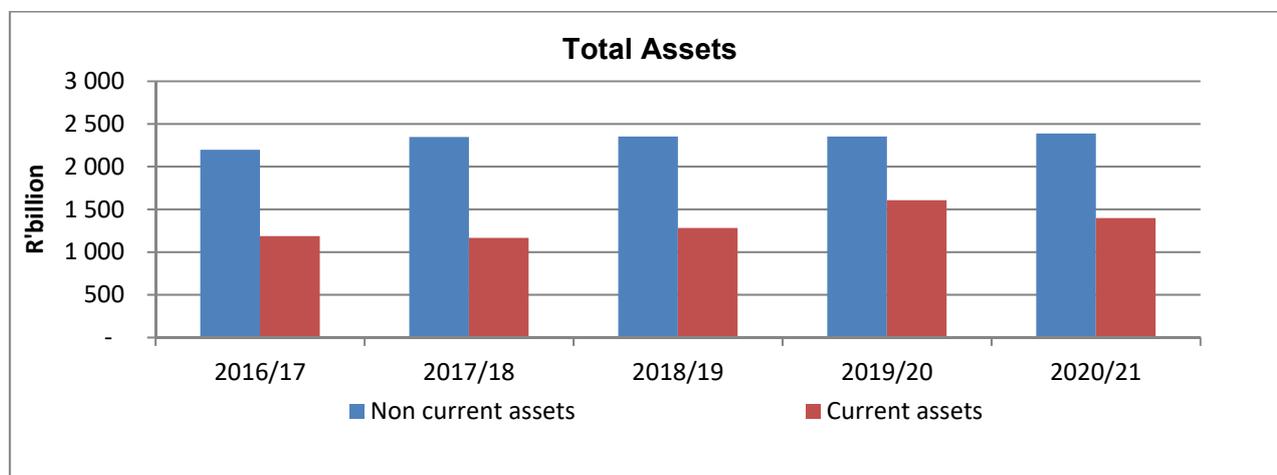
Total assets

Assets	2020/21	2019/20
R'million	R' million	R' million
Non-current assets	2 388 420	2 352 496
Current assets	1 397 700	1 606 876
Total Assets	3 786 120	3 959 372

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Total assets decreased by R173 billion to R3.804 trillion (2019/20: R3.977 trillion) in the current year. This significant decrease is mainly attributable to a decrease in other financial assets.

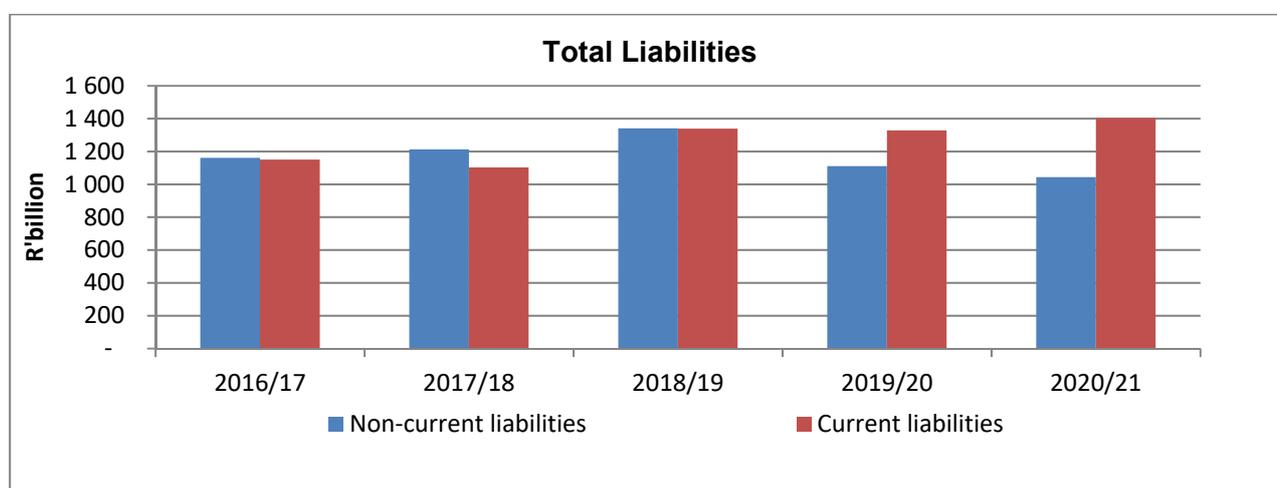


Non-current assets constitute 63% (R 2.388 trillion) of total assets in the current financial year. The significant contributors of non-current assets are Eskom (R691 billion), SANRAL (R449 billion) and Transnet (R338 billion). The three entities combined contribute 62% of the total non-current assets. In addition, SARB (R874 billion), Eskom (R90 billion) and UIF (R78 billion) significantly contributed towards current assets. The three entities combined contribute 75% of the total current assets.

Total liabilities

Liabilities	2020/21	2019/20
R'million	R' million	R' million
Non-current liabilities	1 043 726	1 110 394
Current liabilities	1 403 459	1 328 336
Total liabilities	2 447 185	2 438 730

Total liabilities increased marginally by R8.4 billion to R2.447 trillion (2019/20: 2.439 trillion) in the current year. This is attributable to a 13% increase in other current financial liabilities and a corresponding 14% decrease in long-term borrowings. Current liabilities constitute 57% (2019/20: 54%) of total liabilities in the current year. SARB and Eskom combined contributed a significant 61% (R 1.481 trillion) to total liabilities.

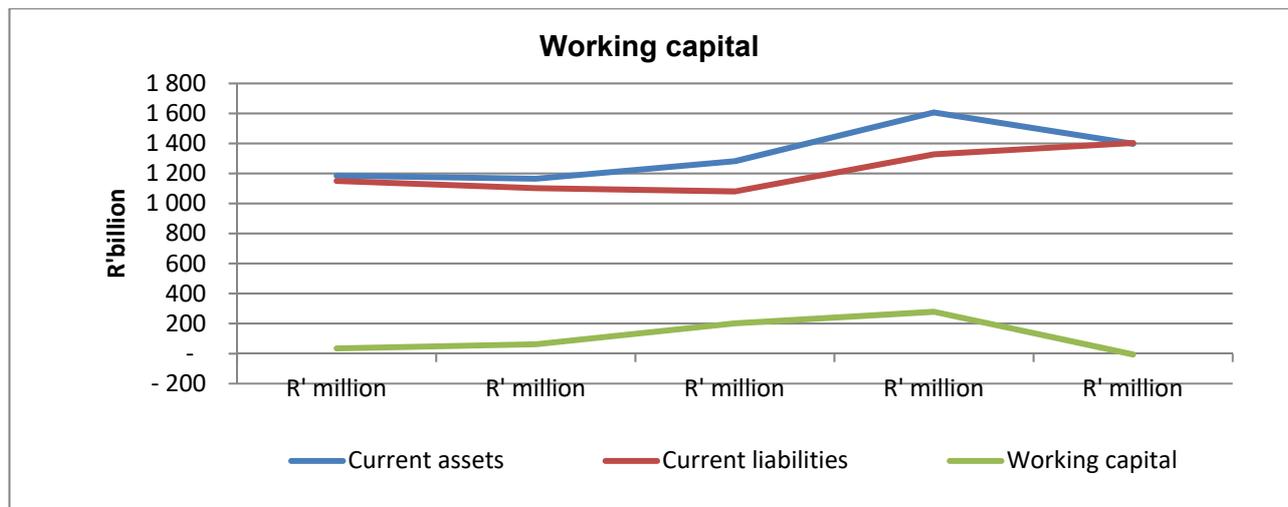


REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Working Capital

Working Capital	2016/17	2017/18	2018/19	2019/20	2020/21
R' million	R' million	R' million	R' million	R' million	R' million
Current assets	1 185 380	1 165 133	1 281 698	1 606 876	1 397 700
Current liabilities	1 150 565	1 102 830	1 080 575	1 328 336	1 403 459
Working capital	34 816	62 303	201 123	278 540	(5 759)



The working capital graph indicates over a 100% decrease in liquidity for the 2020/21 financial year. This is due the current liabilities of entities exceeding the current assets by R284 billion, therefore the entities do not appear to be liquid i.e. the entities may not be able to meet their current obligations as they become due and payable.

Eskom

As a State Owned Company (SOC), Eskom is answerable to the government, represented by the Minister of Public Enterprises. Eskom is South Africa's primary electricity supplier. Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers. It also sells electricity to municipalities, which in turn redistribute to businesses and households within their areas.

Eskom Summary	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue	183 725	181 677	184 774	203 319	209 397
Expenditure	182 350	210 626	219 817	220 153	231 758
Surplus/(Deficit) from Operations	1 376	(28 949)	(35 043)	(16 835)	(22 360)

In 2020/21 Eskom generated a total revenue of R209 billion which represents 32% of national public entities revenues. Revenue from sale of goods & rendering of services increased by 2%. The realised insignificant increase is mainly due to the tariff increase of 8.8% allowed by NERSA which was offset by the declining sales volume. Interest from external investments decreased by 5% to R2 billion (2019/20: R2.1 billion) and the decrease is mainly attributable to a slight decrease in the acquisition of investments. Other income increased by 151% to R2.4 billion (2019/20: R970 million) and the increase is attributable to increase in sundry income, insurance premiums and services income.

REVIEW OF OPERATING RESULTS

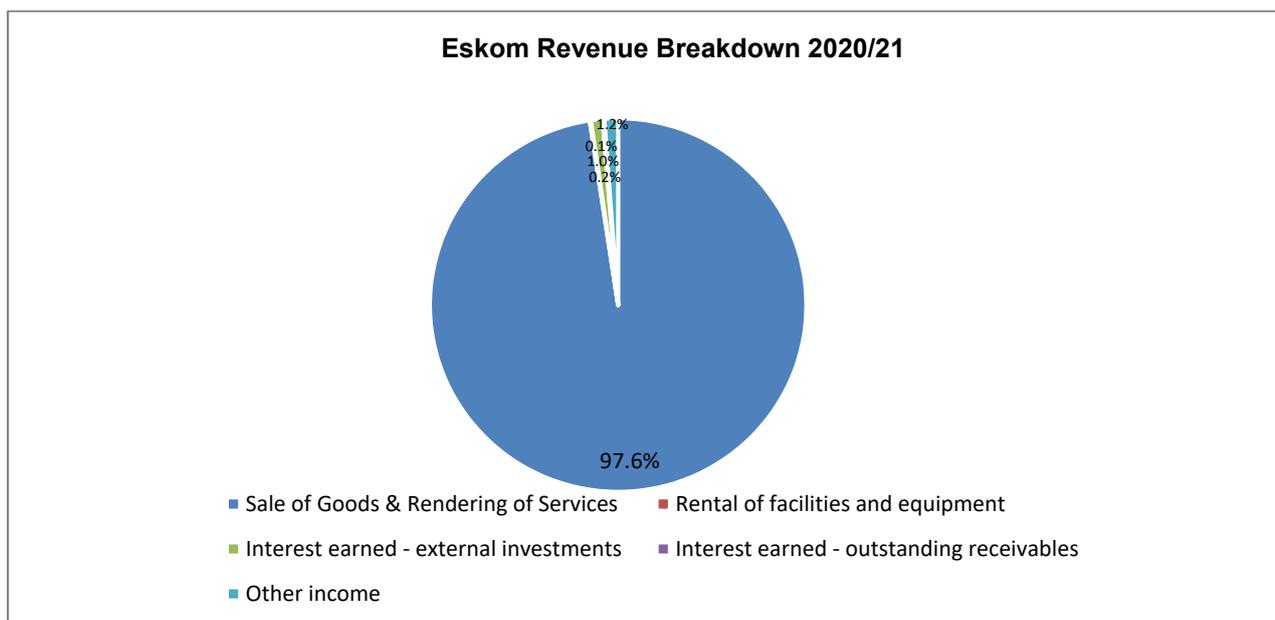
For the year ended 31 March 2021

The COVID-19 pandemic and the related national lockdown badly affected electricity sales with a reduction of 13.8TWh during the year. Eskom's operations were less affected by the lockdown as an essential service and were allowed to operate at full capacity at all levels of lockdown. The majority of financial ratios achieved their targets, performing better in comparison to the prior financial year. Financial results were higher than target but remain well below levels acceptable to investors and credit rating agencies, indicating that cash generated from operating activities is insufficient to cover the cost of servicing debt, thereby prompting the need for government support.

The tariffs awarded by NERSA in recent years resulted in a substantial revenue shortfall. Eskom is following due process to seek rectification with regard to the unsustainable tariff determinations awarded, but it is a drawn-out process with no guaranteed relief. Eskom received favourable judgements from the High Court on NERSA revenue and regulatory control account (RCA) decisions during the year.

Expenditure increased by 5% to R232 billion (2019/20: R220 billion) in the current year. The increase is mainly attributable to an increase in general expenses.

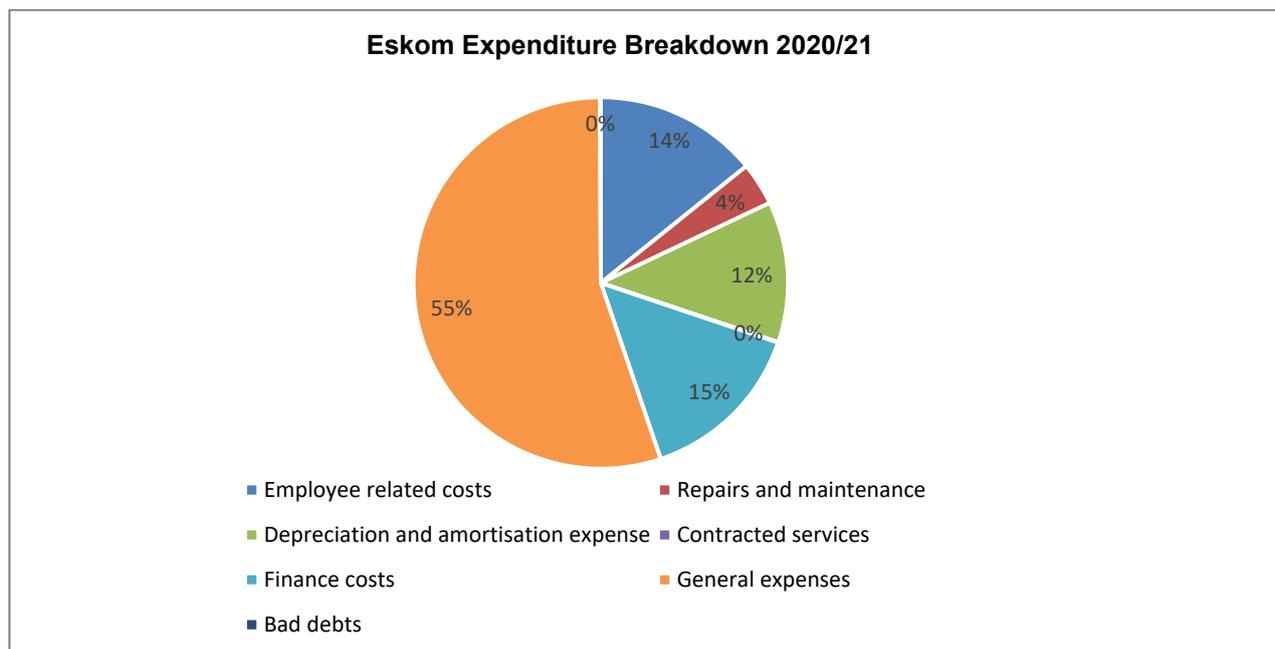
Eskom recognized the operating deficit of R18.9 billion (9% improvement) from operating deficit of R20.8 billion as a result of a 3% revenue increase and 5% total expenditure increase. The lower increase in expenses is attributable to lower contracted services, depreciation & amortisation costs, and employee related costs which decreased by 370%, 2% and 1% respectively. It must be noted, however that repairs and maintenance costs increased by 44% to R 8.7 billion (2019/20: R6 billion) due to more planned maintenance compared to the previous year.



The sale of goods & rendering of services are the biggest contributor of revenue, contributing 98% of the total revenue, while interest earned, rental of facilities and other income combined makes up the remaining 2%.

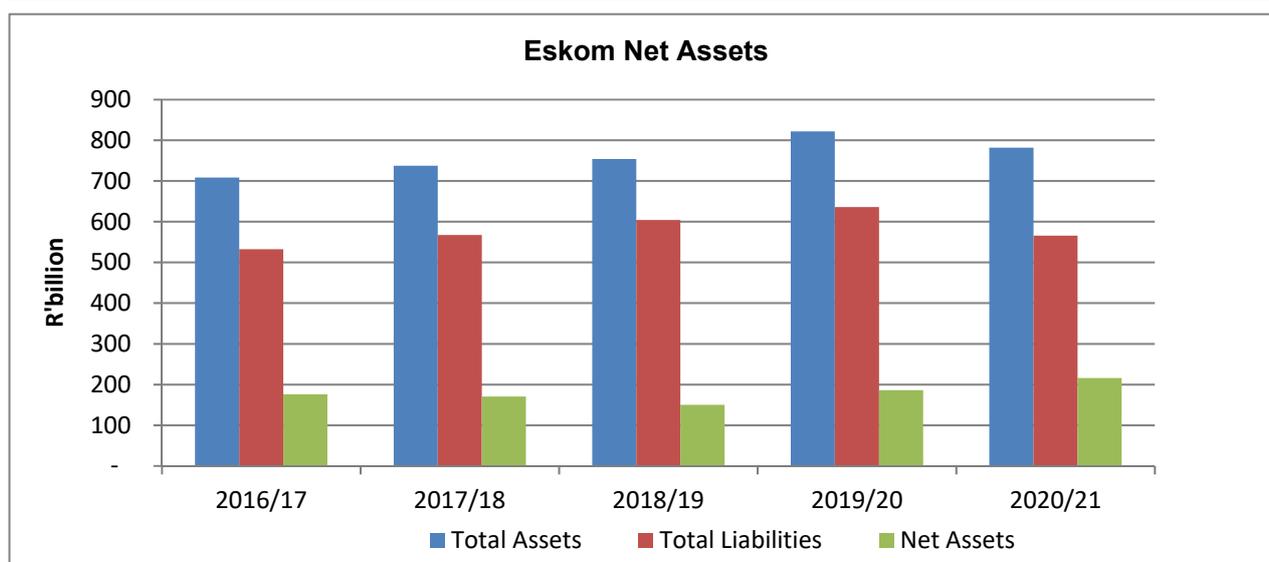
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



General expenses is the biggest contributor of expenditure, contributing 55% of the total expenditure. Included in general expenses is the expenditure on primary energy costs, which represent Eskom's cost of sales and contributed 91% of general expenditure. Other costs included in total expenditure are as follows, employee costs, which contributed 14%, while depreciation costs accounted for 12% and finance costs 15%.

Eskom Summary R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Total Assets	708 328	737 431	754 022	821 749	781 645
Total Liabilities	532 385	567 095	604 045	635 682	565 809
Net Assets	175 943	170 336	149 977	186 067	215 837

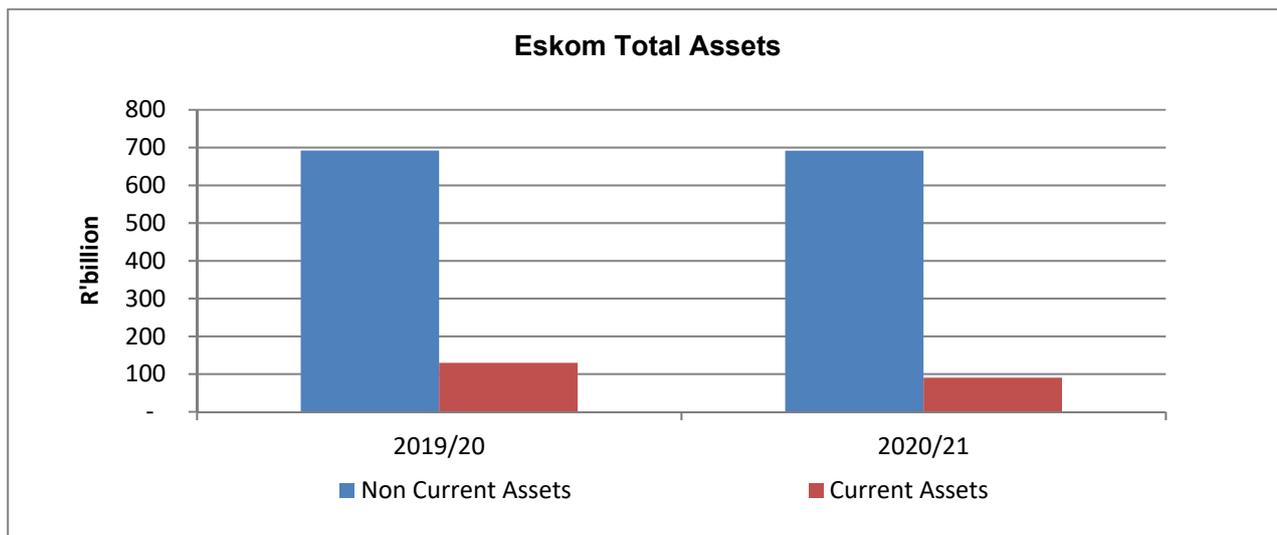


REVIEW OF OPERATING RESULTS

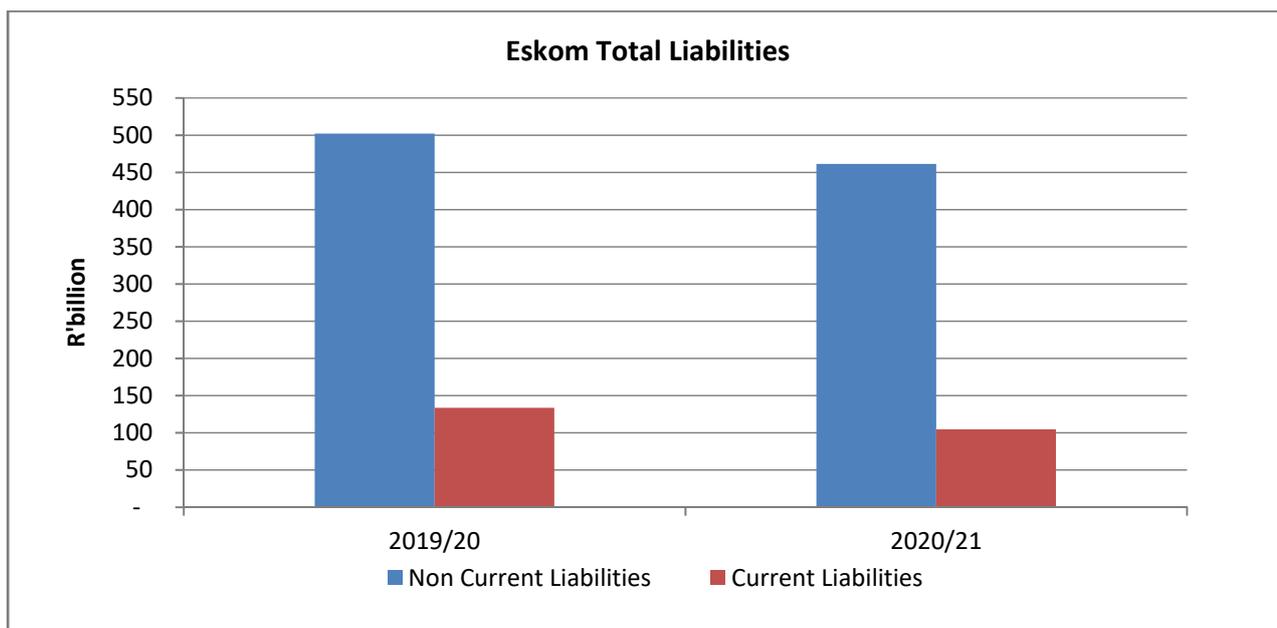
For the year ended 31 March 2021

The trend over the last five years since 2016/17 has seen a steady increase in total liabilities with 2020/21 total liabilities decreasing by 11%. The trend for total assets has also been steadily increasing in the past five years with a decrease of 5% in 2020/21.

Eskom contributes 21% of the total assets of national public entities assets in 2020/21, same results as 2019/20. Total assets of Eskom decreased by 5% to R782 billion (2019/20: R822 billion) in the current year, with non current assets remaining the same as previous year. The slight decrease in total assets is attributable to a decrease of R18 billion in cash and cash equivalents to R4 billion (2019/20: 23 billion). Eskom has restricted organisational cash requirements to improve liquidity through targeted savings on operating and capital expenditure.



Eskom's total liabilities contributed 23% of the total liabilities of national public entities liabilities. The 2020/21 total liabilities of Eskom decreased by 11% to R566 billion (2019/20: R636 billion). The decrease is mainly attributable to the long term borrowings which decreased by R51 billion and short term borrowings which decreased by R31 billion.



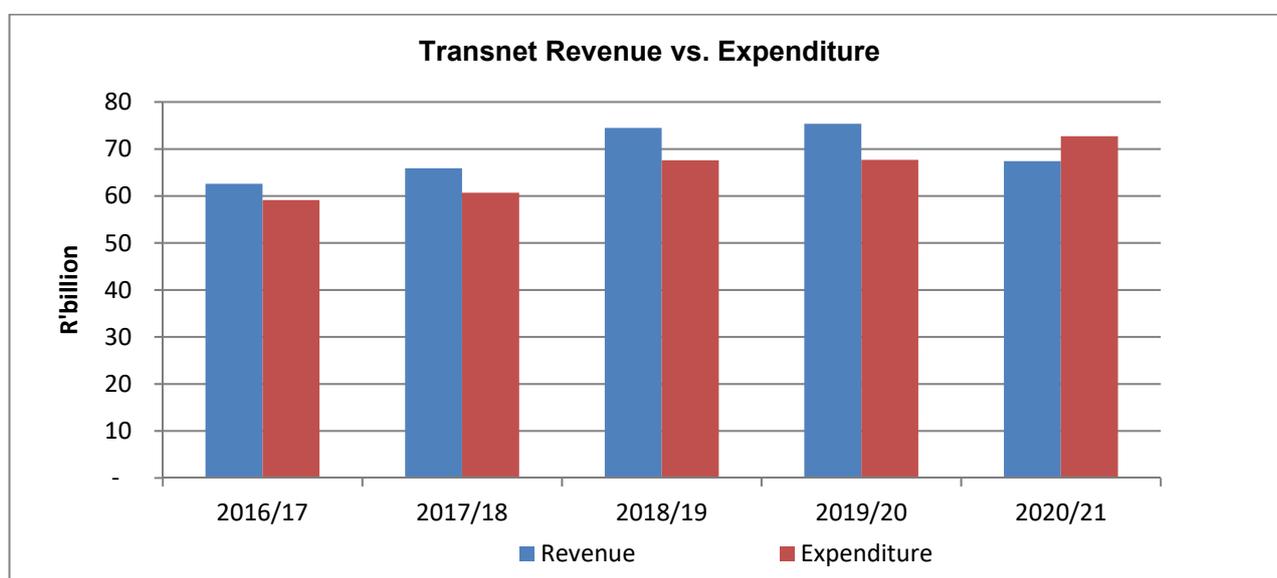
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Transnet

Transnet is a public company wholly owned by the Government of the Republic South Africa and is the custodian of the country's rail, ports and pipelines. Transnet is responsible for enabling competitiveness, growth and development of the South African economy through delivering reliable freight transport in a cost-effective and efficient manner, within acceptable benchmarks. Please note that this financial information is analysed based on the 2020/21 unaudited AFS of Transnet.

Transnet Summary	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue	62 575	65 887	74 457	75 338	67 396
Expenditure	59 116	60 679	67 590	67 693	72 721
Surplus/(Deficit) from Operations	3 459	5 208	6 867	7 645	(5 325)

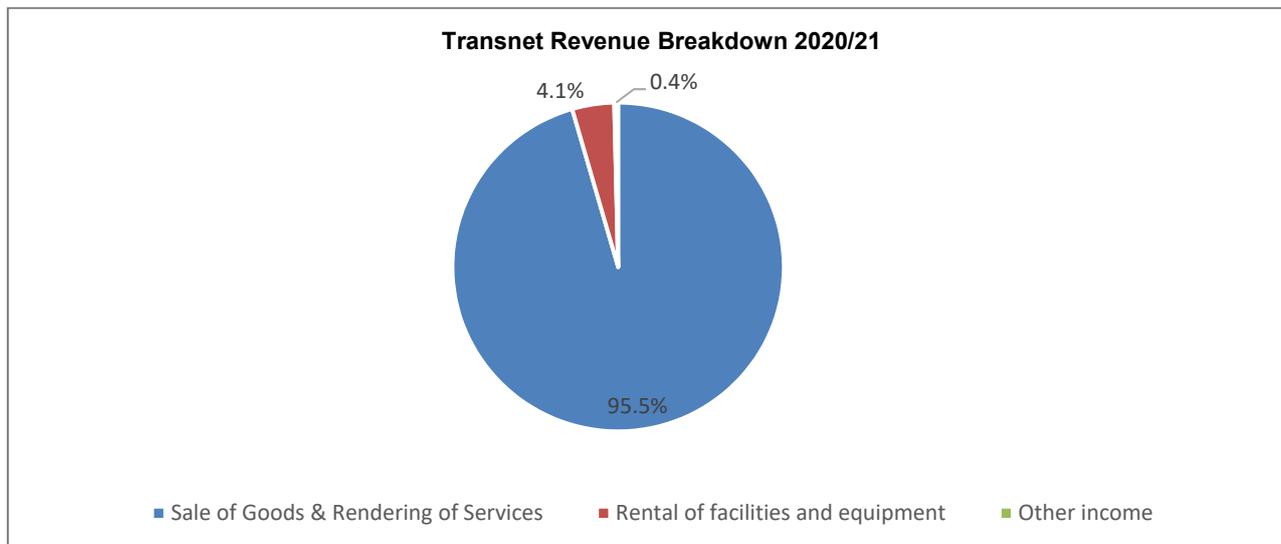


Transnet generated total revenue of R67 billion, which represents 10% of national public entities revenues. Total revenue decreased by 11%, the entity's major revenue comes from sale of goods & rendering of services contributing 96% of the total revenue of Transnet which decreased by 11% in the current year. Other income has shown an increase of 49% during the 2020/21 year end, but due to its small percentage to total revenue this increase did not make a noticeable difference to total revenue decline.

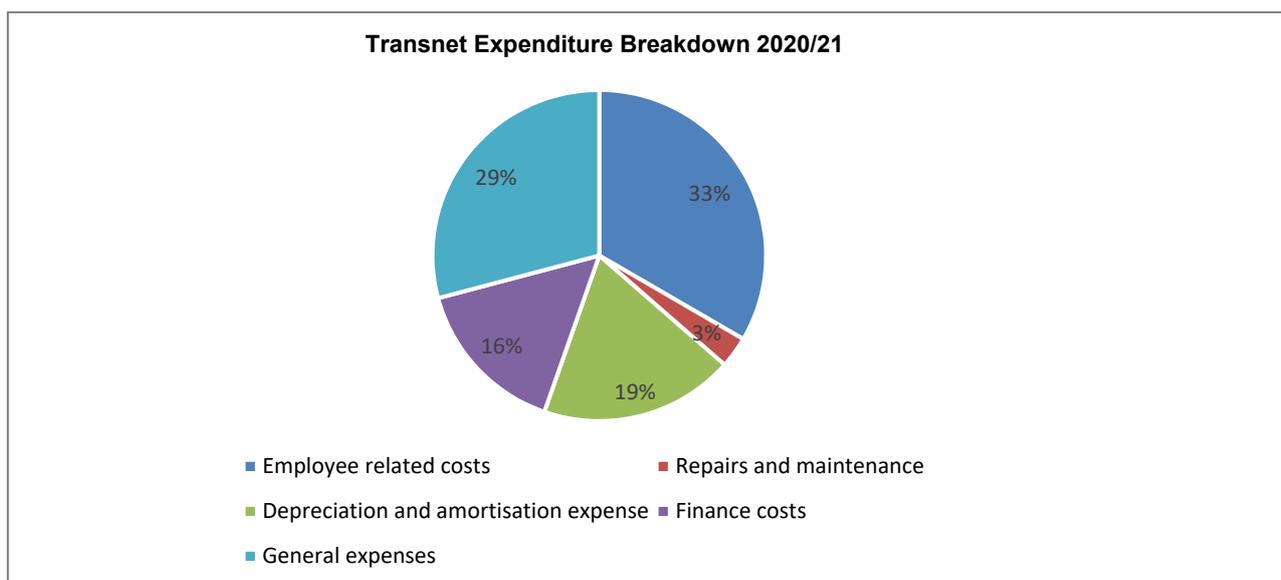
Expenditure increased by 7% in the current year to R73 billion (2019/20: R68 billion). Depreciation and amortisation costs decreased by 8% to R13.7 billion (2019/20: R14.9 billion) however this decrease was reduced by a 4% increase in employee related costs which is significant in rand value. Overall, the operating surplus decreased significantly by 348% to a deficit of R8.1 billion (2019/20: R3.3 billion surplus) during the current year.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



Sale of goods & rendering of services was the biggest contributor of revenue, contributing 96% of the total revenue. Rental of facilities and other income combined makes up the remaining 4%.

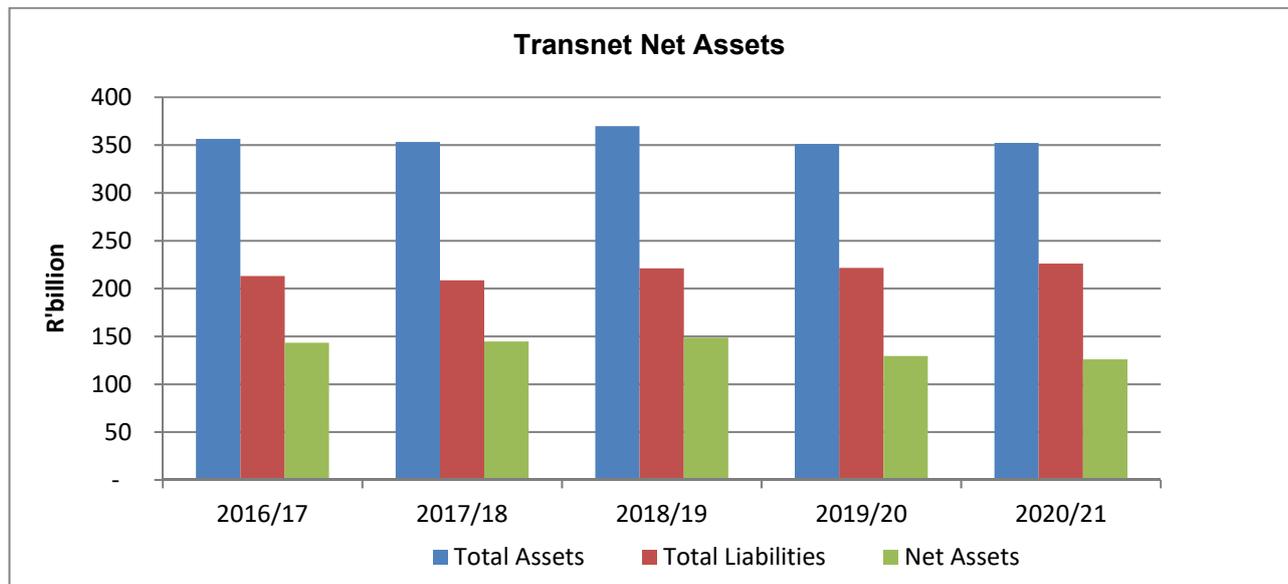


Employee related costs is the biggest contributor of expenditure, contributing 33% of the total expenditure, followed by general expenses contributing 29%, while depreciation costs contributed 19% and finance costs 16%.

Transnet Asset vs. Liabilities R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Total Assets	356 393	353 139	369 766	351 006	352 147
Total Liabilities	213 103	208 494	221 134	221 499	226 113
Net Assets	143 290	144 645	148 632	129 507	126 034

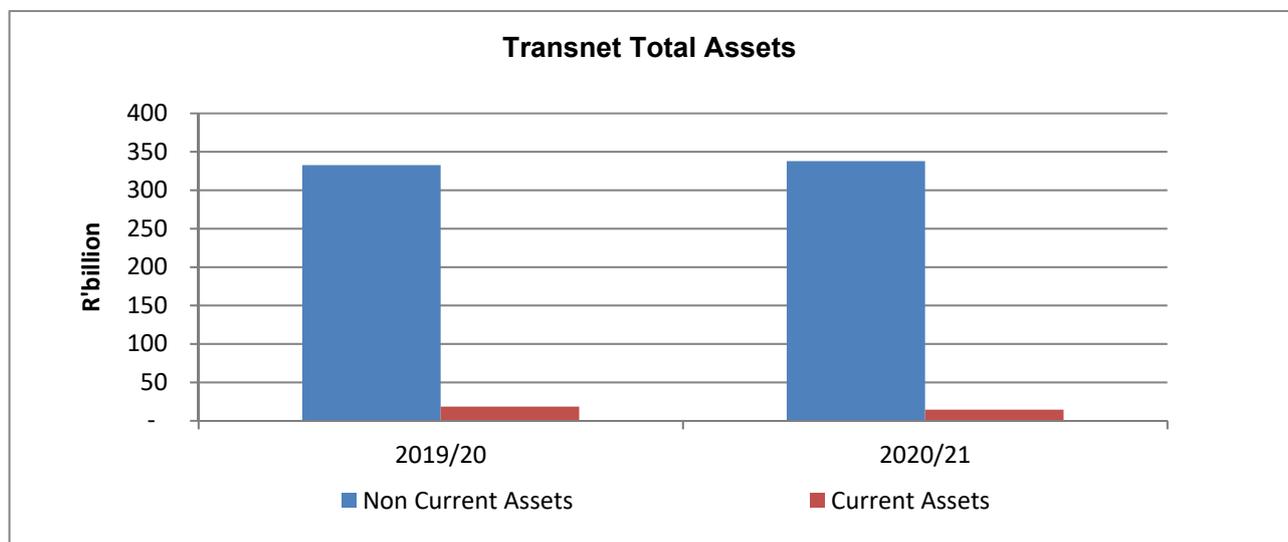
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



The trend has been fluctuating within the last five year under review between a decrease and an increase in general.

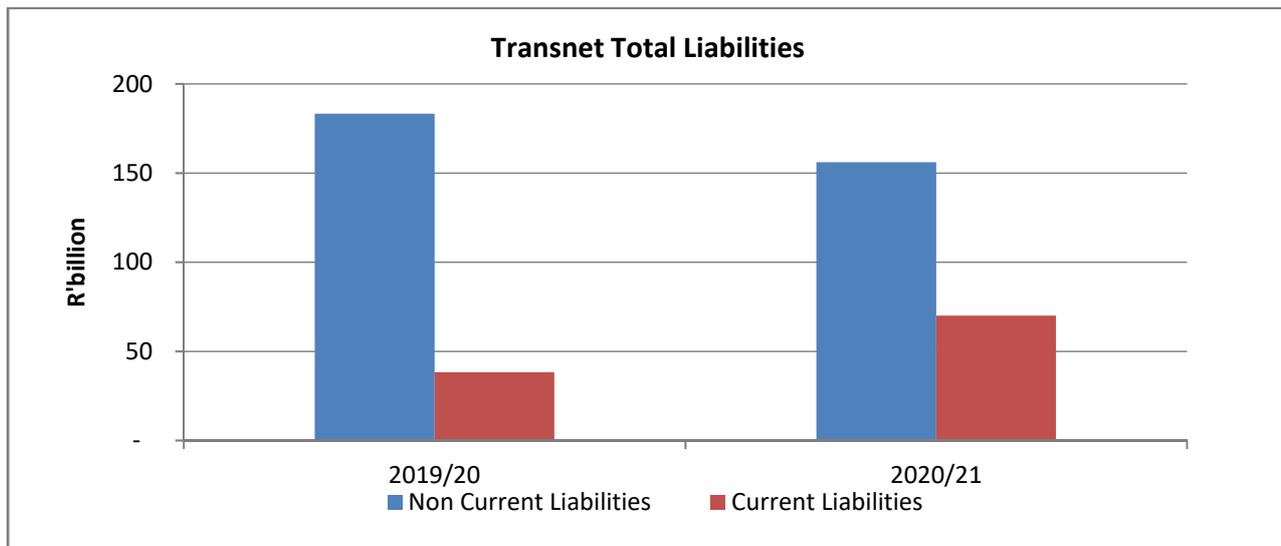
Transnet contributes 9% of the total assets of national public entities assets. Total assets marginally increased by 0.3% to R352 billion (2019/20: R351 billion) in the current year, with current assets decreasing by 22% and non current assets increasing by 2% .The decrease in current assets is insignificant to the total assets hence the total increase is remains at 0.3%.



Transnet total liabilities contributed 9% of the total liabilities of national public entities assets. In 2020/21 total liabilities of Transnet increased by 2% to R226 billion (2019/20: R221 billion). The increase is mainly attributable to current portion of long-term borrowings which increased by 210% to R50 billion (2019/20: R16 billion).

REVIEW OF OPERATING RESULTS

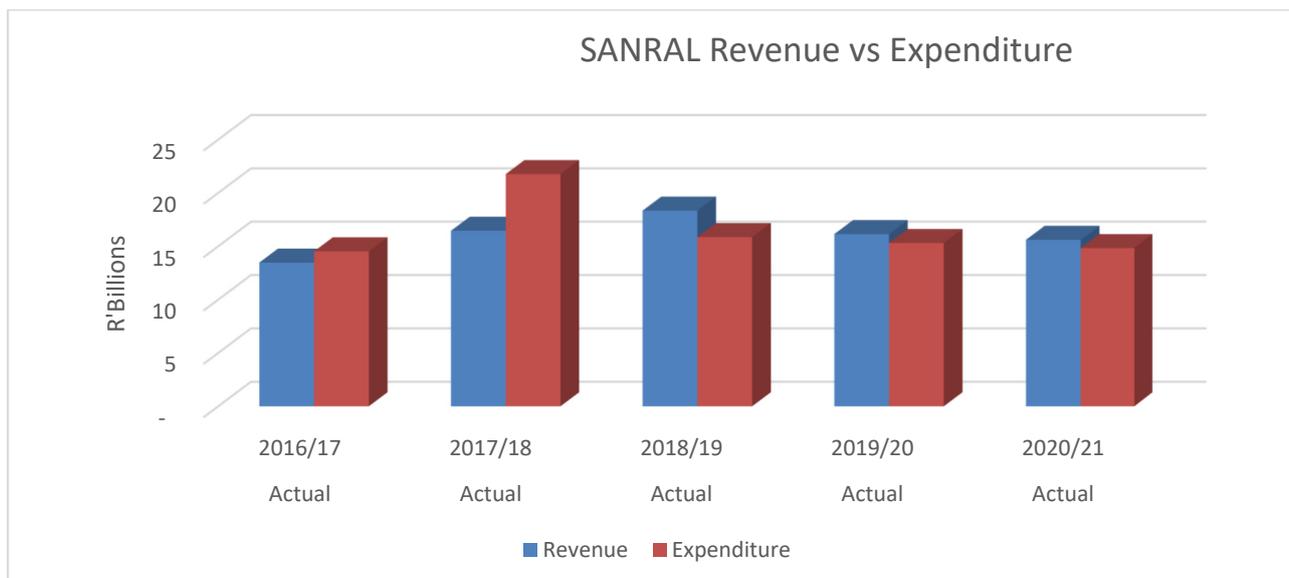
For the year ended 31 March 2021



The South African National Roads Agency Soc Limited (SANRAL)

SANRAL is an independent company with its shareholder solely being the South African Government, represented by the Minister of Transport. SANRAL has a distinct mandate – to finance, improve, manage and maintain the national road network of South Africa.

SANRAL Summary R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Revenue	13 471	16 450	18 345	16 139	15 605
Expenditure	14 525	21 766	15 860	15 308	14 832
Surplus/(Deficit) from Operations	-1 054	-5 316	2 485	831	774



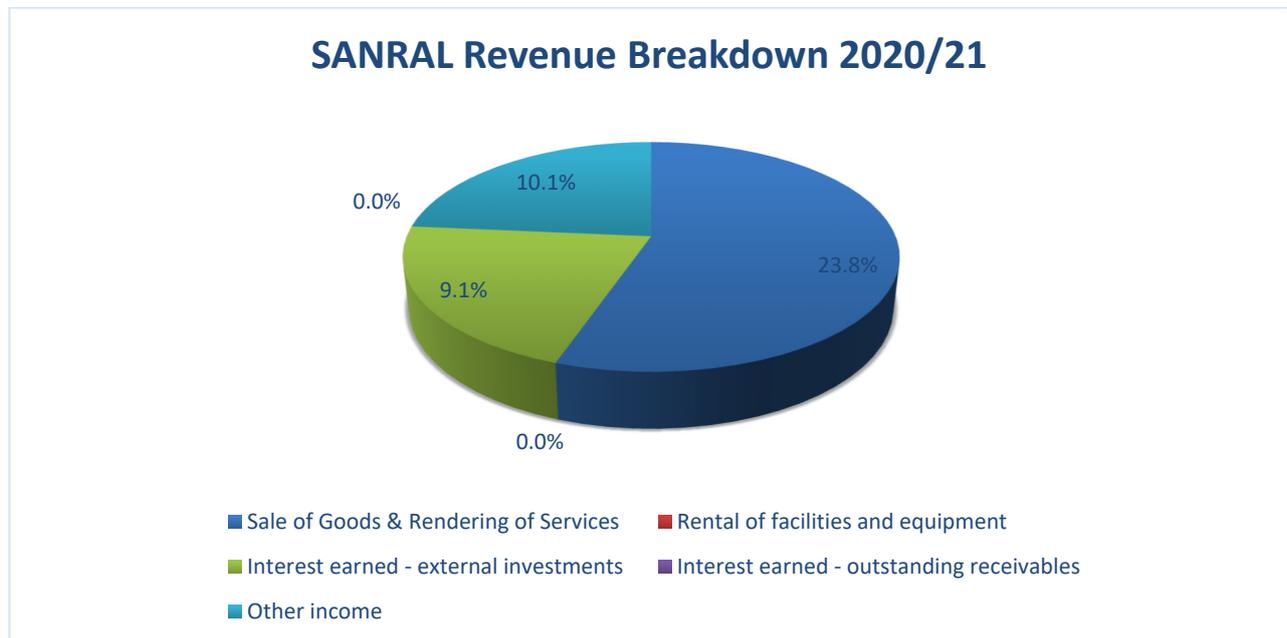
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

There has been a year-on-year (y-o-y) decline in operating surplus from R831 million to R774 million in the current year under review. The total revenue in 2020/21 declined by 3.31% alongside the decline of 3.11% in total expenditure based on y-o-y review which is attributable to the deteriorating operating surplus.

Revenue in the current year decreased by 3.31% to R15.6 billion (2019/20 R16.1 billion) which is mainly attributable to a 15% decrease in sale of goods and rendering of services, followed by a decline of 3% in government grants and subsidies. The impact of COVID-19 lockdown and travel restrictions during the 2021 financial year had resulted in a decrease in toll revenue by between 15% - 20%, however after the relaxation of lockdown restrictions to level 1, between November 2020 and 31 March 2021, the traffic volumes returned to almost pre-COVID-19 (normal) forecasted volumes.

Below is the revenue breakdown of SANRAL.

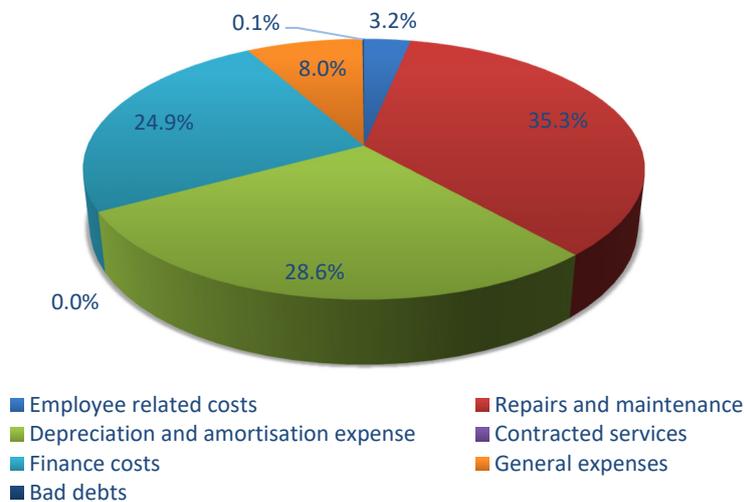


Expenditure also decreased by 3% to R14.8 billion (2019/20 R15.3 billion) in the current year. The decrease is highly attributable to a decrease of 10% in finance costs and a further 23% decrease in general expenses i.e. advertising and bank charges, these have resulted in a total 77% decrease. Below is the expenditure breakdown of SANRAL.

REVIEW OF OPERATING RESULTS

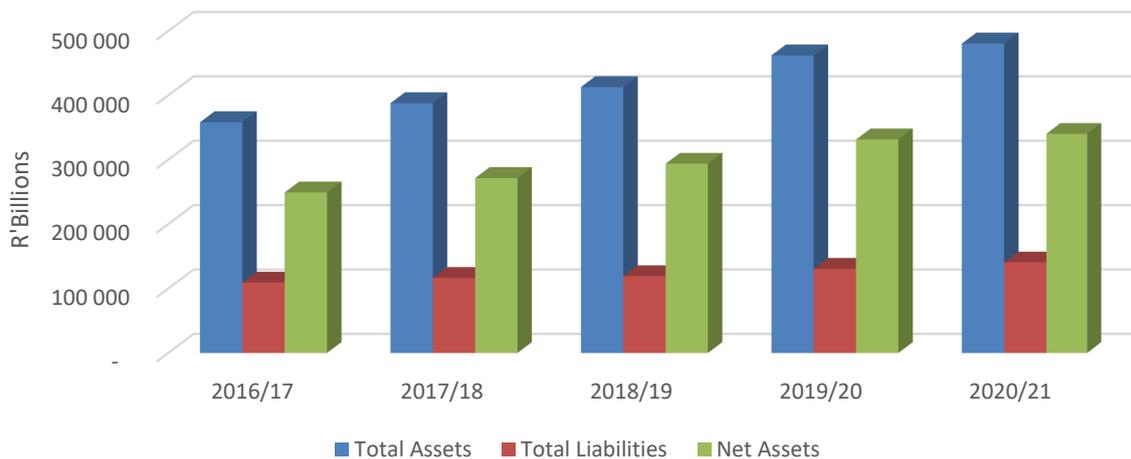
For the year ended 31 March 2021

SANRAL Expenditure Breakdown 2020/21



SANRAL Summary R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Total Assets	358 168	387 861	412 921	462 082	480 509
Total Liabilities	109 064	116 348	119 110	130 586	140 357
Net Assets	249 103	271 513	293 811	331 496	340 152

SANRAL Net Assets



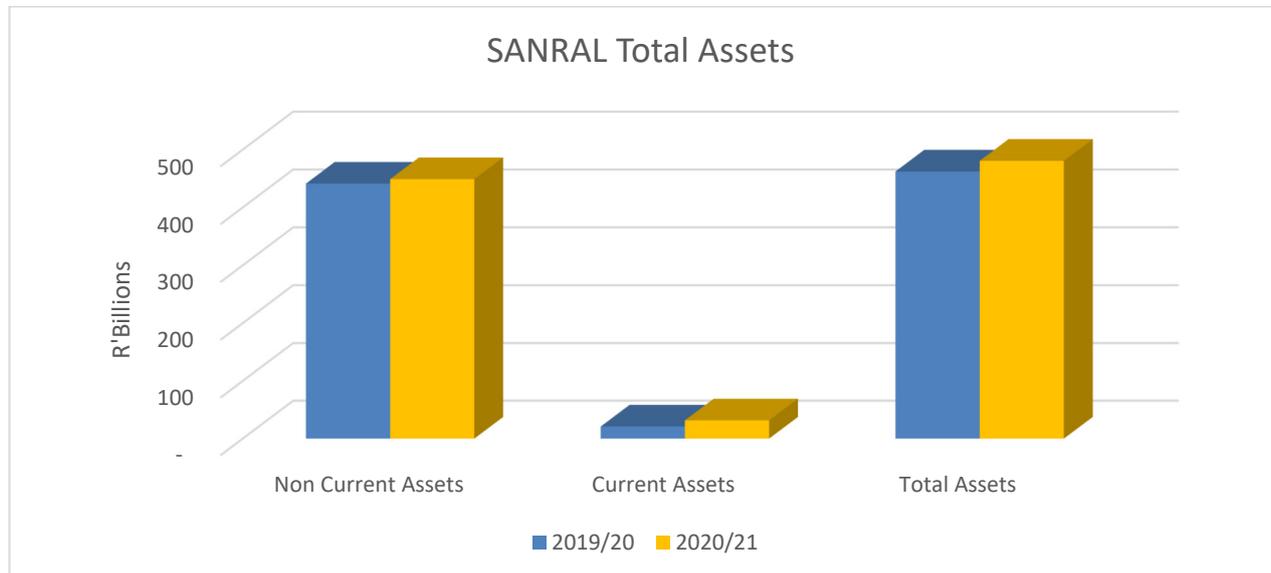
The net asset value of SANRAL has increased marginally by 2.6% from R331 billion to R340 billion in the current financial year. This is mainly attributable to a R8.2 billion increase in revaluation of property plant and equipment as a result of a revaluation of land and road networks during the current year.

Total assets increased by 4% to R480 billion (2019/20: R462 billion) in the current year. Non-current assets constitute 93.4% of the total assets of the entity, with property plant and equipment contributing 93% of the total assets of the entity.

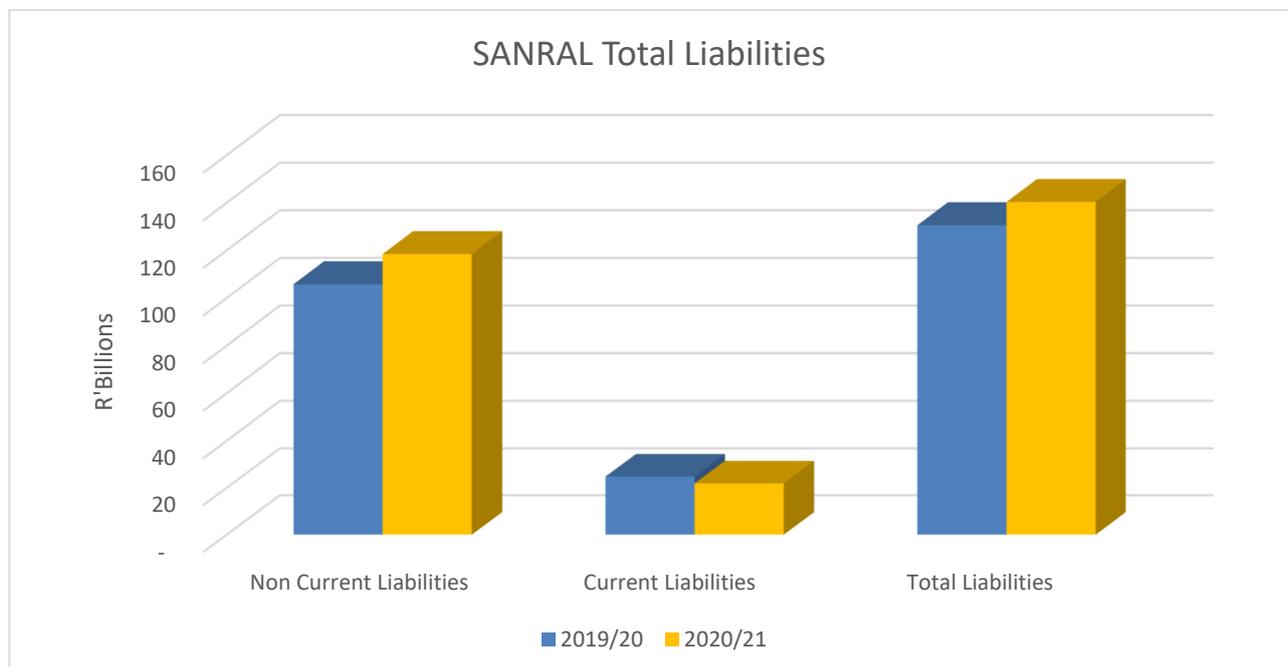
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

The current assets increased by 51.1% to R31.6 billion (2019/20: R20.9 billion) in the current year attributable to the increase in cash and cash equivalents.



Total liabilities increased by 7.48% to R140 billion (2019/20 R130 billion). This is as a result of a R10 billion increase in deferred income and a R1.6 billion increase in current portion of unspent conditional grants and receipts.



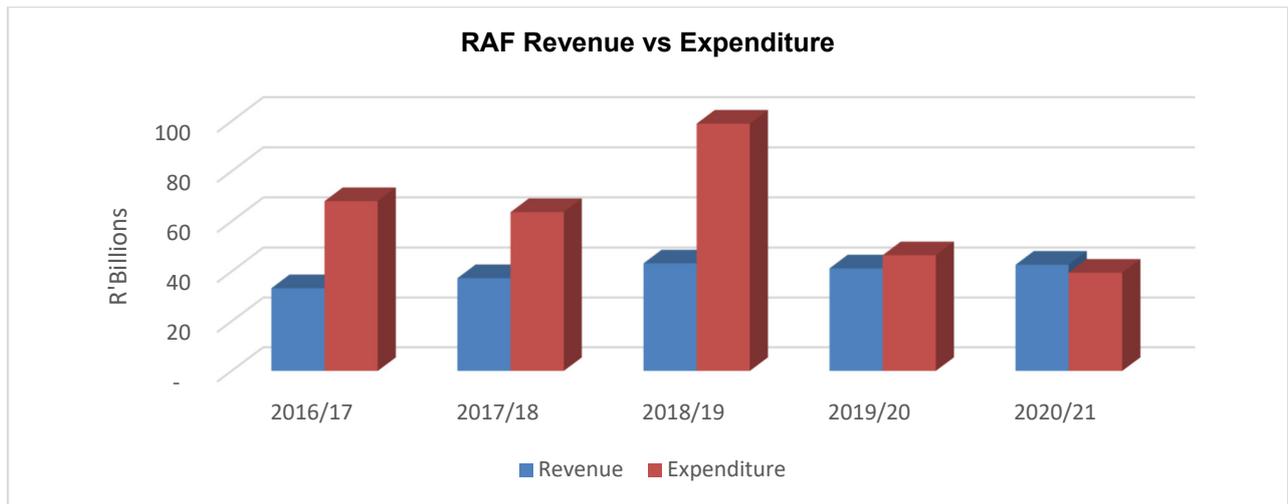
Road Accident Fund

The Road Accident Fund (RAF) is a schedule 3(A) entity, wholly owned by government. RAF is responsible for providing compulsory social insurance cover to all users of the South African roads; to rehabilitate and compensate persons injured as a result of negligence driving of motor vehicles, in a timely and caring manner; and to actively promote the safe use of South African roads. The RAF provides two types of cover, namely personal insurance cover to accident victims or their families, and indemnity cover to wrongdoers. Please note that this financial information is analysed based on the 2020/21 unaudited AFS of RAF.

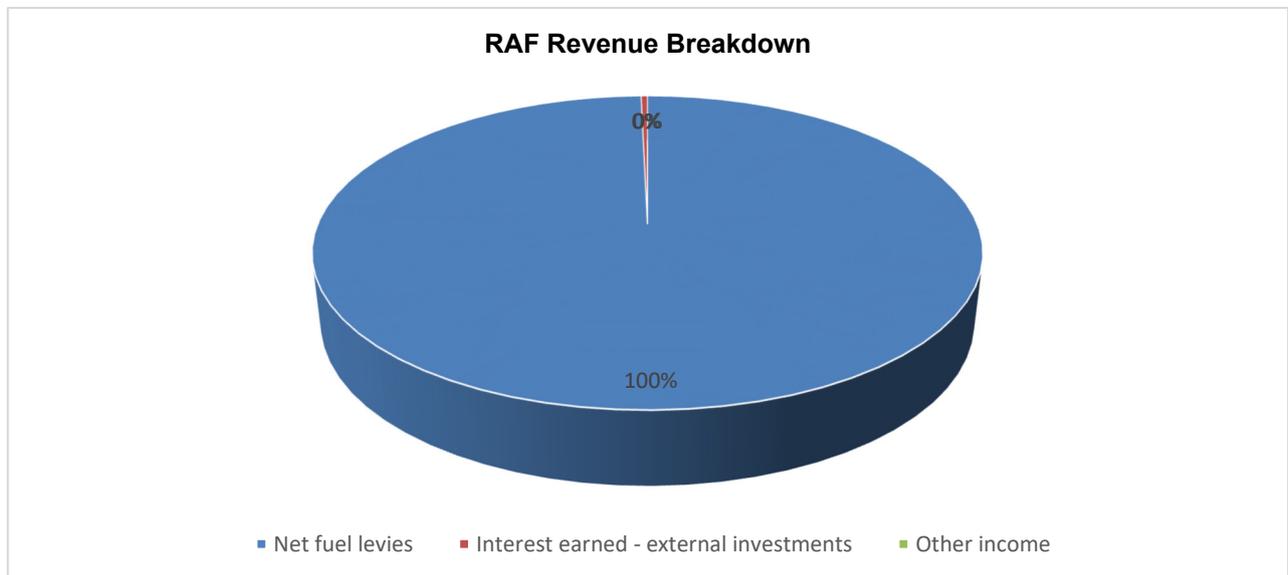
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

RAF Summary R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Revenue	33 341	37 340	43 239	41 240	42 687
Expenditure	68 083	63 691	99 019	46 497	39 535
Surplus/(Deficit) from Operations	(34 743)	(26 350)	(55 779)	(5 256)	3 152

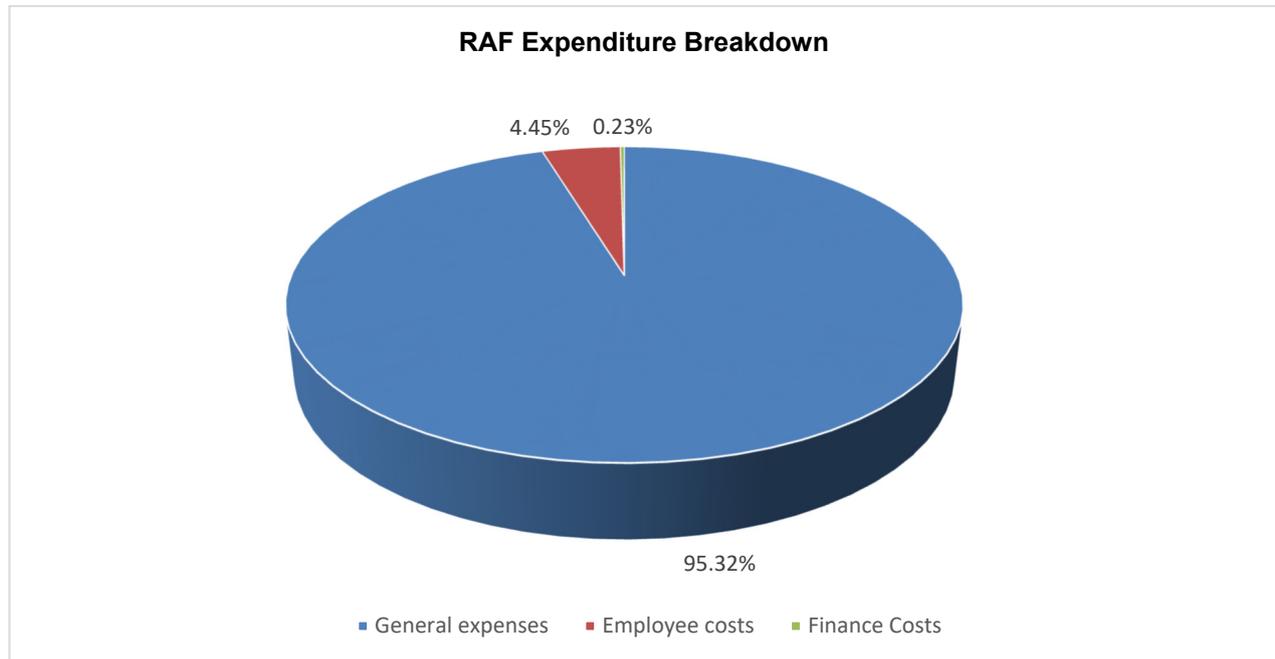


RAF's revenue was generated mainly from fuel levy which comprises 99.8% of the total revenue and the remainder being interest earned- external investments. Below is a graph depicting the breakdown of the total revenue during the year under review:



REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



While RAF has been in a deficit position for the past four financial years, the entity generated a surplus of R3 billion in the current financial year. This is attributable to the increase in legislative and oversight function by 3%. Total expenses also declined by 15% due to the decrease in general expenses.

Total revenue during the 2020/21 financial year decreased to R41.24 billion from R43.24 billion in the previous financial year driven by a decline in legislative and oversight functions. The total expenditure declined drastically by 15% to R39.5 billion in 2020/21 (from R46 billion in the previous year) attributable to a decrease in general expenses i.e. administration expenses.

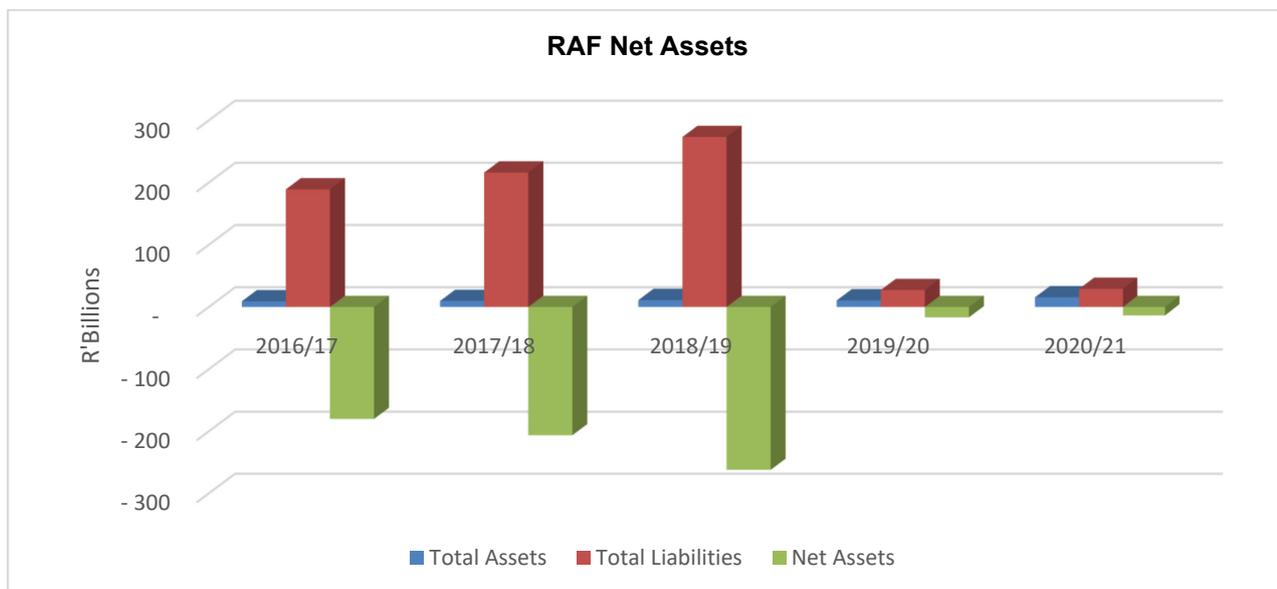
The net surplus recorded by RAF was largely attributable to an increase in core revenue i.e. legislative and oversight function by 3% and a further increase in interest earned from external investments by 150%.

The RAF remains severely under-capitalised, with liabilities exceeding assets (assets deficiency) by R13.4 billion (2019/20 R16.6 billion)

RAF Summary	Actual	Actual	Actual	Actual	Actual
R' million	2016/17	2017/18	2018/19	2019/20	2020/21
Total Assets	9 198	9 806	11 220	10 657	15 663
Total Liabilities	189 191	216 147	273 334	27 299	29 149
Net Assets	(179 993)	(206 341)	(262 115)	(16 642)	(13 485)

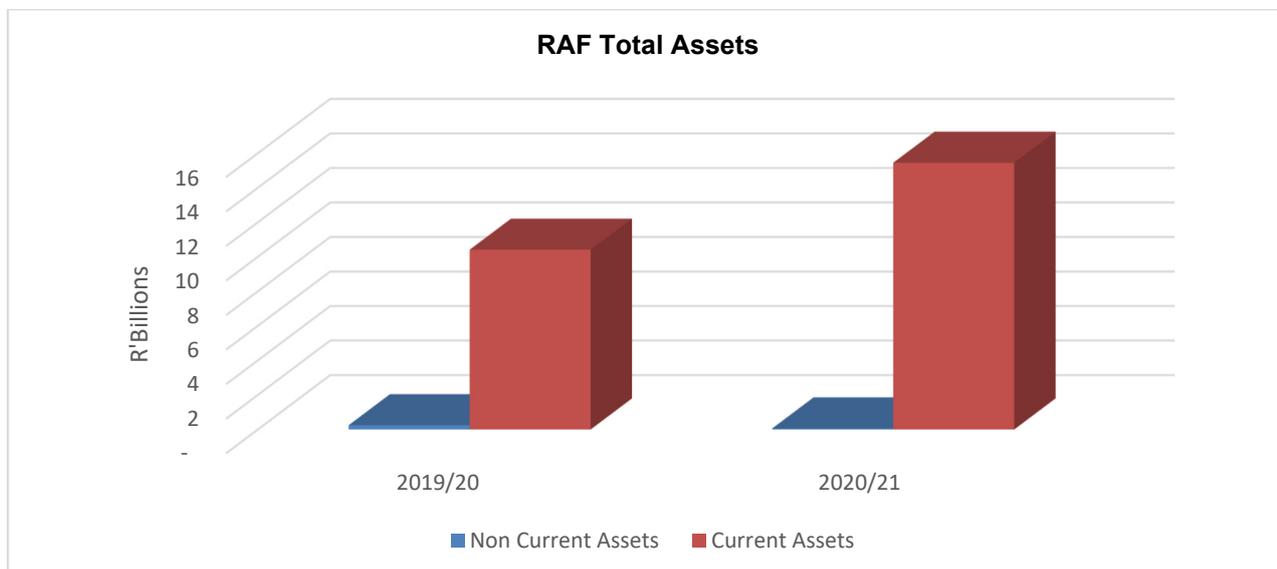
REVIEW OF OPERATING RESULTS

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The assets deficiency position have improved slightly from R16.6 billion in the prior year to R13.4 billion in the current year. This improvement is driven by a drastic increase in total assets by 47% in the current year while liabilities only increased by a slight 7%.

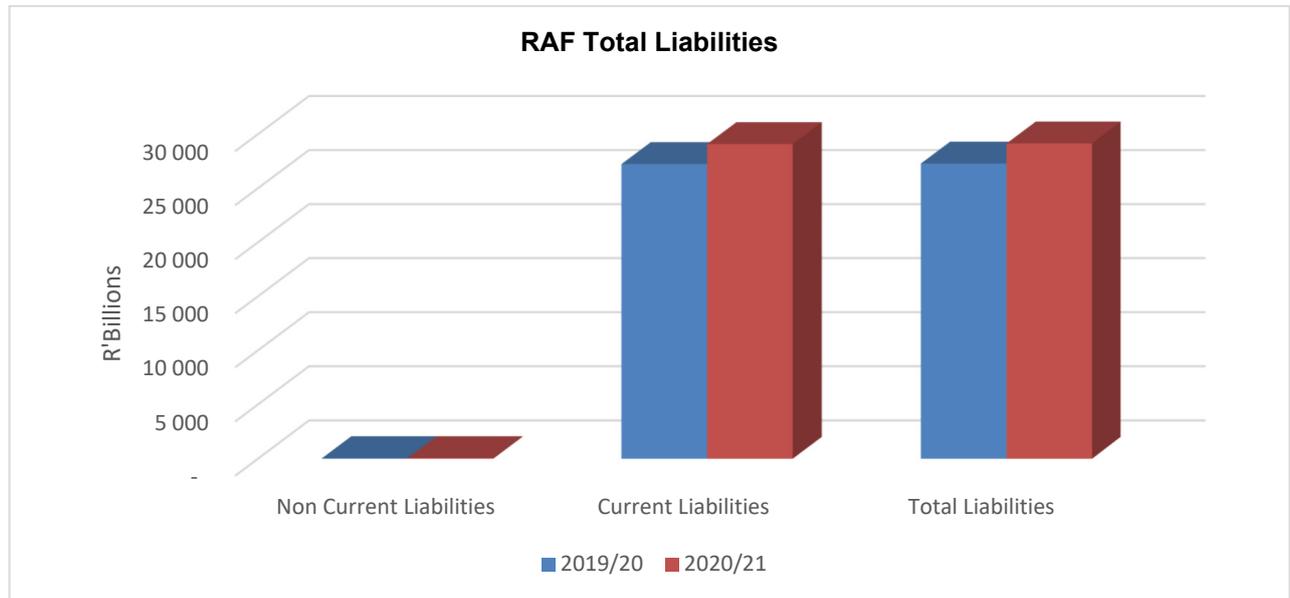
The increase in total assets by 47% from R10.6 billion in 2019/20 to R15.6 billion in the current year is due to an increase in cash and cash equivalents as well as increase in statutory receivables.



Total liabilities increased by 7% from R27.2 billion in 2019/20 to R29.1 billion in the current year. The increase is mainly attributable to a 9% increase in other current liabilities and a 23% increase in trade and other payables from exchange transactions. The RAF current liabilities constitute 99% of total liabilities in the current year.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



South African Reserve Bank

The South African Reserve Bank is the central bank of the Republic of South Africa. The primary objective and independence are entrenched in the Constitution (Sections 224 and 225 of the Constitution), being to achieve and maintain price stability in the interest of balanced and sustainable economic growth in South Africa. Together with other institutions, it also plays a pivotal role in ensuring financial stability in the country. The bank was established by the SARB Act, read with section 223 of the Constitution of South Africa, Act 108 of 1996 (Constitution).

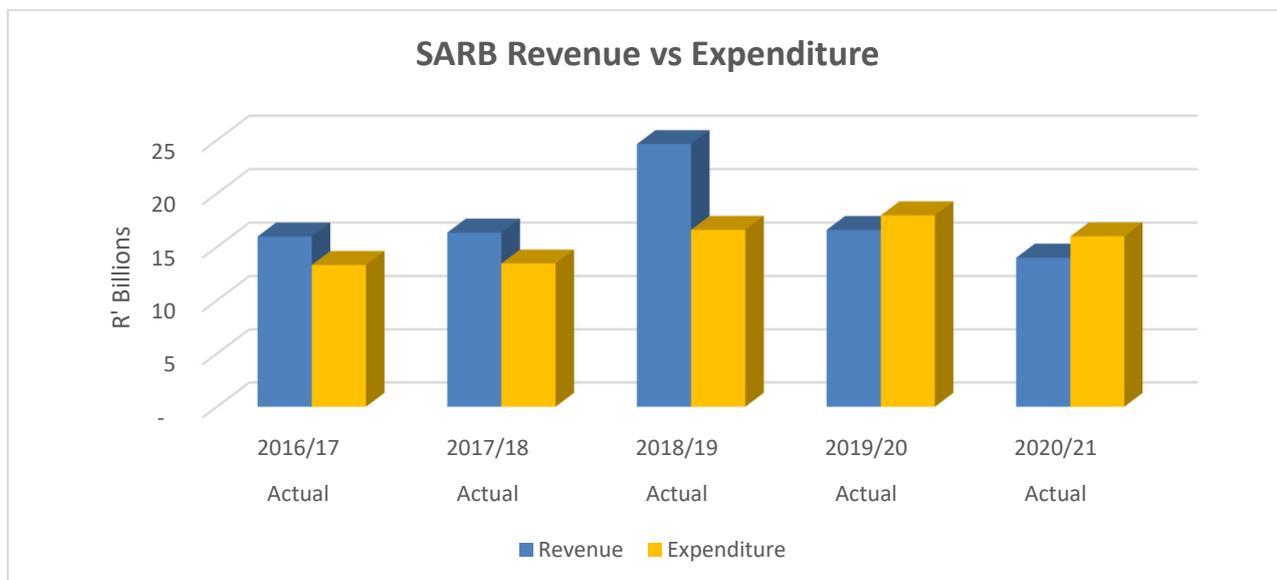
Some of the Functions of the bank are:

- Issuing banknotes and coin;
- Formulating and implementing monetary policy
- Managing official gold and foreign-exchange reserves;
- Acting as banker to the government;
- Supervising the banking system;
- Acting as lender of last resort in exceptional circumstances to financial institutions.

SARB Summary R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Revenue	15 983	16 348	24 629	16 596	13 910
Expenditure	13 314	13 457	16 604	17 959	16 279
Surplus/(Deficit) from Operations	2 669	2 891	8 025	(1 363)	(2 369)

REVIEW OF OPERATING RESULTS

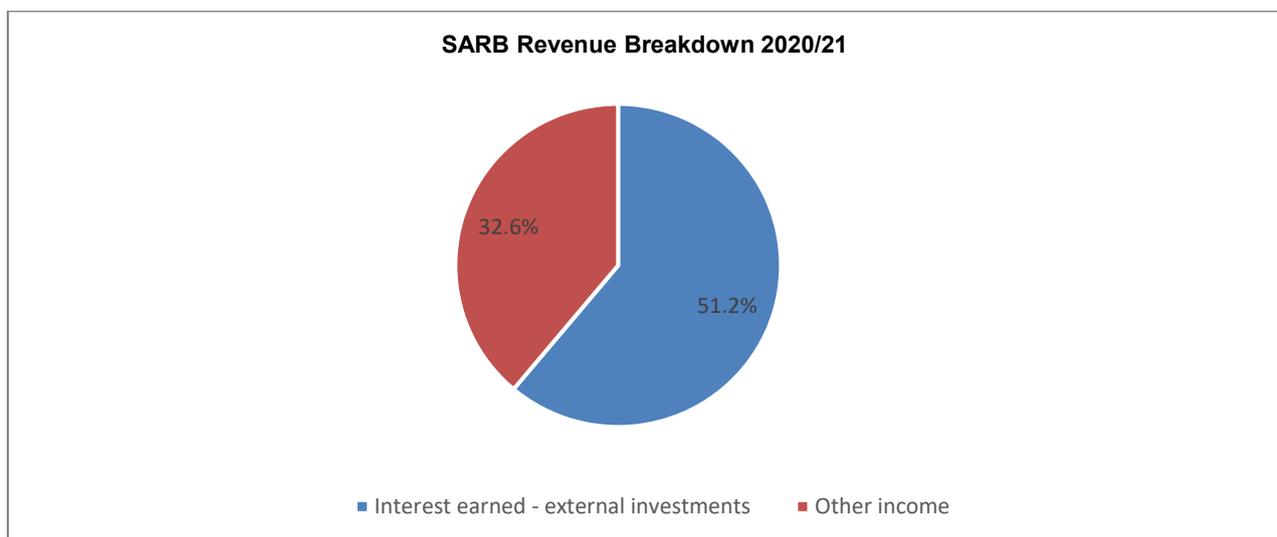
For the year ended 31 March 2021



The SARB total revenue amounted to R13.9 billion in the current year comprising mainly of interest earned from external investments (foreign investments and accommodation to banks) and other income. Total revenue decreased by 16% in the current period under review driven by drastic decline of 25% in interest earned from external investments as well as decline in rental of facilities and equipment by 18%.

Expenditure also decreased by 9% to R16.2 billion (2019/20: R17.9 billion) in the current year, mainly attributable to finance costs which decreased by 44% consistent with the 15% decline in the prior year.

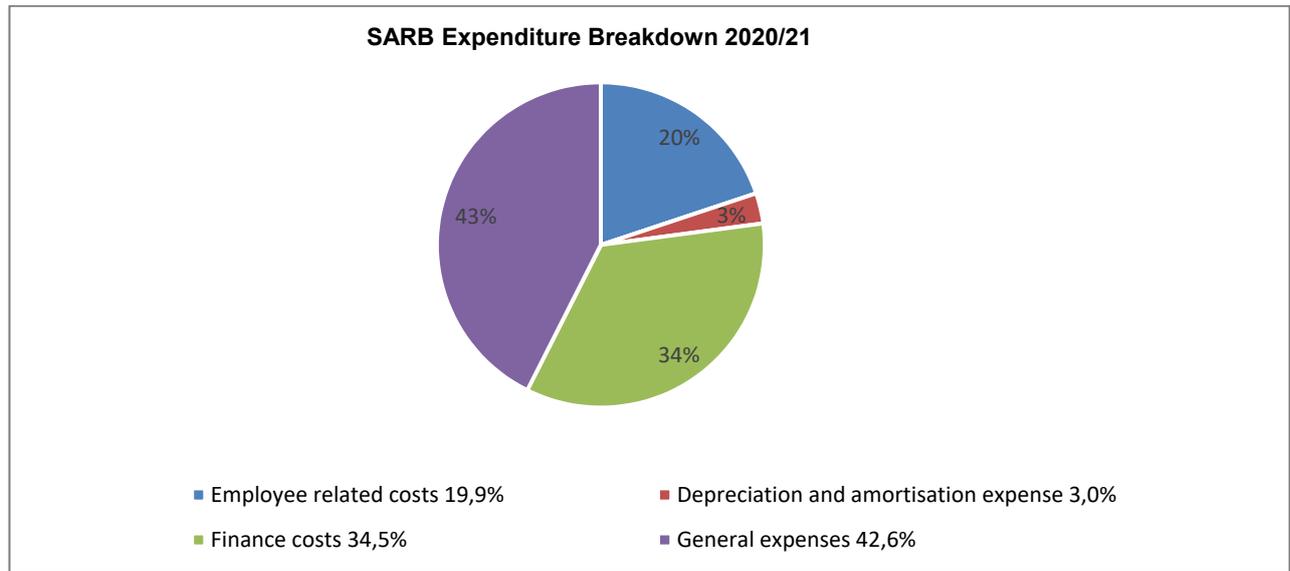
The net result of these factors was a 74% increase in the operating deficit of R2.4 billion (2019/20: R1.4 billion deficit).



The interest earned from external investments is the biggest contributor of revenue, contributing 51.2% of the total revenue while other income makes up the remaining 32.6%.

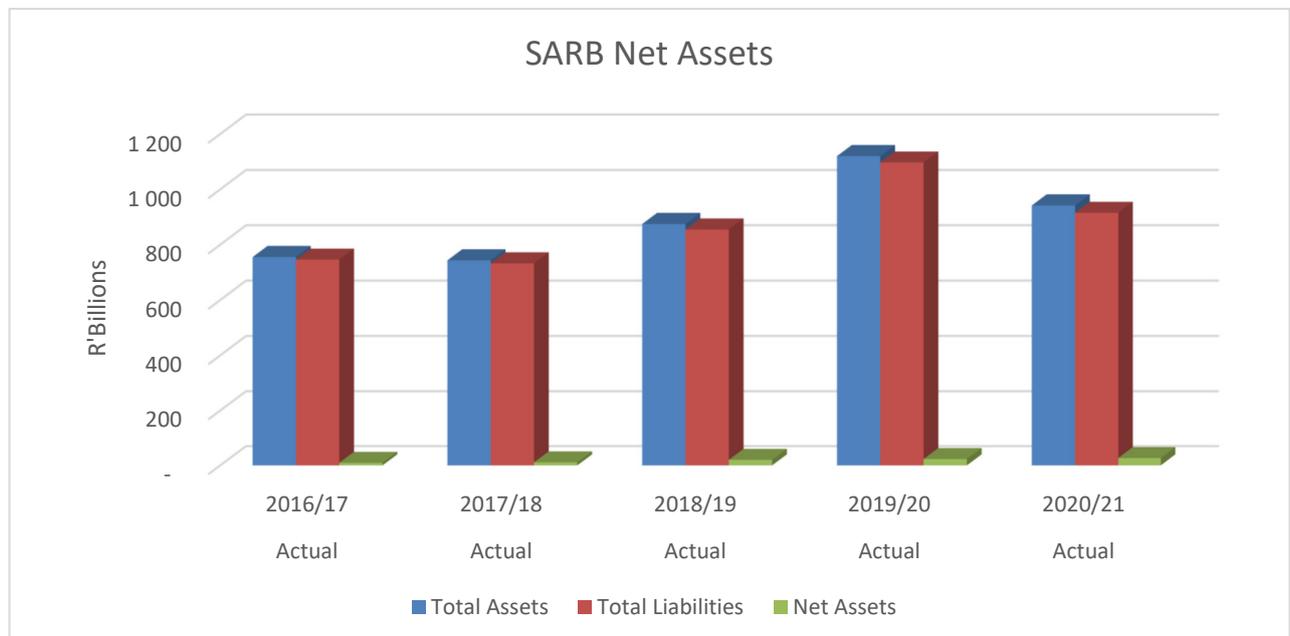
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



General expenses were the larger portion of the expenditure, contributing 43% of the total expenditure, followed by finance costs with 35%, employee related costs contributing 20% and depreciation costs making up the remaining 2%.

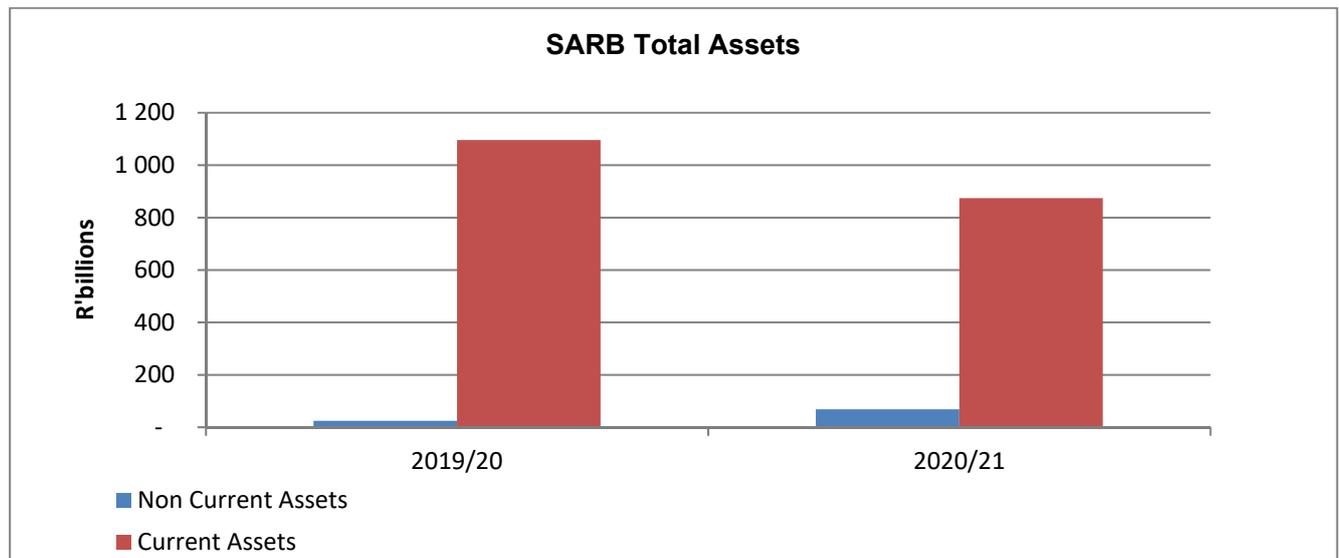
SARB Summary R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Total Assets	755 363	743 457	874 768	1 120 122	941 791
Total Liabilities	745 954	732 346	854 713	1 096 796	914 967
Net Assets	9 409	11 111	20 055	23 326	26 824



SARB reported total assets of R941 billion and total liabilities of R914 billion respectively in the current period under review. There was a decline in both total assets and total liabilities by 16% and 17% respectively in 2020/21. The decline in total assets is driven by decrease in other current financial assets by 23%.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021



The decline in total liabilities is attributable to the decrease in trade and other current financial liabilities by 17%. Current liabilities contributed 99% of the total liabilities comprising mainly of other current financial liabilities.

CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

**REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON THE CONSOLIDATED
FINANCIAL STATEMENTS OF NATIONAL
PUBLIC ENTITIES OF THE
NATIONAL TREASURY**

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Report on the audit of the consolidated financial statements

Disclaimer of opinion

1. I have audited the consolidated financial statements of the national public entities set out on pages 176 to 268, which comprise the consolidated statement of financial position as at 31 March 2021, the consolidated statement of financial performance, statement of changes in net assets and consolidated cash flow statement for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the consolidated financial statements of the national public entities. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for disclaimer of opinion

Revenue from non-exchange transactions

Community Schemes Ombud Services

3. I was unable to obtain sufficient appropriate audit evidence for revenue from non-exchange transactions relating to levies, as the public entity did not have adequate systems to collect, process and record levies due. I was unable to confirm these levies by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to revenue from non-exchange transactions relating to levies included in the R70 655 095 000 (2020: R72 735 305 000) as disclosed in note 41 to the consolidated annual financial statements.

National Regulator for Compulsory Specifications

4. The public entity did not recognise revenue from non-exchange transactions: levies from compulsory specifications that accrued to it in the

correct financial period in accordance with GRAP 23, Revenue from Non-exchange Transactions. The amount disclosed as revenue from non-exchange transactions: levies from compulsory specifications included revenue amounts that do not relate to the current period. Consequently, the revenue from non-exchange transactions: levies from compulsory specifications was overstated by R6 614 256. As a result, the corresponding figure for revenue from non-exchange transactions: levies from compulsory specifications and receivables from non-exchange transactions: levies has been understated. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Revenue from Exchange Transactions - Sale of goods and services

South African Health Products Regulatory Authority

5. During 2020, I was unable to obtain sufficient appropriate audit evidence for income received in advance (deferred income) and Revenue from Exchange Transactions - Sale of goods and services due to the status of the records. I was unable to confirm the revenue received in advance (deferred income) and fee income by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the corresponding figure of revenue received in advance (deferred income) and Revenue from Exchange Transactions - Sale of goods and services, stated R397 505 815 000 in note 43 to the consolidated financial statements. My audit opinion on the financial statements for the period ended 31 March 2020 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effects of this matter on the comparability of the income received in advance and fee income for the current period.

Expenditure

Universal Service and Access Fund

6. I was unable to obtain sufficient and appropriate audit evidence that Broadcasting Digital Migration Project expenses were properly

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

accounted for due to inadequate internal controls implemented to support the expenses recorded. I was unable to confirm the Broadcasting Digital Migration Project expenses by alternative means. The Provision balance and Commitments disclosure in the financial statements includes these amounts. Consequently, I was unable to determine whether any adjustment was necessary to the Broadcasting Digital Migration project included in Contracted Services stated at R6 024 232 000 in note 51 to the consolidated financial statements, Current Provisions stated at R56 749 237 000 in note 23 to the consolidated financial statements and the Commitments stated at R167 250 587 000 in note 67 to the consolidated financial statements.

Housing Development Agency

7. The public entity recorded expenditure invoices relating to the prior year in the current financial year. Consequently, expenditure is overstated by R9 484 588 and prior year expenditure is understated by R9 484 588.

South African Tourism

8. Included in marketing expenditure is R16 815 628 for expenditure paid by a third party. The entity did not have adequate internal controls to maintain records of marketing expenditure paid for by third parties. I was unable to obtain sufficient appropriate audit evidence to substantiate the marketing expenditure paid for by third parties disclosed in the note 54 to the consolidated financial statements. As a consequence, I was unable to determine whether any adjustments were required to the financial statements arising from marketing expenditure paid for by third parties.

National Skills Fund

9. I was unable to obtain sufficient appropriate audit evidence that contracted services expenditure had been properly accounted for, as evidence that the services had been received could not be provided. This was due to inadequate project monitoring and expenditure approval processes at the public entity. I was unable to confirm contracted services expenditure by alternative means as the public entity's systems did not

permit this. Consequently, I was unable to determine whether any adjustment was necessary to contracted services expenditure and skills development funding (included in Grants and Subsidies paid), stated at R6 024 232 000 (2019-20: R4 987 594 000) and at R22 989 725 000 (2019-20: R26 283 945 000) on the statement of financial performance, respectively, and as disclosed in notes 51 and 52 to the consolidated financial statements.

10. The public entity did not have adequate systems in place to account for skills development funding, as expenses were not recorded in the correct period. These misstatements together with other minor misstatements resulted in the overstatement of skills development funding included in Grants and Subsidies paid, stated at R22 989 725 000 in the consolidated statement of financial performance and note 52 to the financial statements, with a corresponding understatement in the accumulated surplus. This also has an impact on the surplus for the period.
11. In addition, I was unable to obtain sufficient appropriate audit evidence that skills development funding for the current and previous years had been properly accounted for, as evidence that the services had been received could not be provided. There were also differences noted between the amounts reported and the supporting schedules. This was due to inadequate project monitoring and expenditure approval processes. I was unable to confirm the skills development funding by alternative means, as the public entity's systems did not permit this. Consequently, I was unable to determine whether any adjustment was necessary to the skills development funding, included in Grants and Subsidies paid, stated at R22 989 725 000 (2019-20: R26 283 945 000) in the statements of financial performance and note 52 to the consolidated financial statement.

Property, plant and equipment

Agricultural Research Council

12. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for property, plant and equipment, as the public entity did not have adequate systems

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

to record and maintain proper accounting records for all classes of property, plant and equipment. There were material differences between the financial statements and the fixed assets register and underlying schedules.

13. I was unable to confirm property, plant and equipment by alternative means as the public entity's systems did not permit this. Consequently, I was unable to determine whether any adjustment was necessary to property, plant and equipment stated at R1 778 956 569 000 (2020: R1 751 278 814 000) as disclosed in note 31 to the consolidated financial statements.
14. Furthermore, the public entity did not correctly apply the requirements of GRAP 17, Property, plant and equipment as they did not correctly calculate the revaluation reserve of R14 685 569 000 (2020: R8 408 527 000), as disclosed in note 31 to the consolidated annual financial statements, which arose when the entity changed its accounting policy for buildings from the cost model to the revaluation model. I was unable to determine the full extent of the misstatement on the revaluation reserve as it was impracticable to do so. The misstatement indicated above also has an impact on the following amounts in the consolidated financial statements:
 - Note 63: prior-year adjustments depreciation and amortisation correction of prior period error of R3 691 500 000
 - Note 63: prior-year adjustments property, plant and equipment correction of prior period error of R430 442 049 000
 - Note 63: prior-year adjustments revaluation reserve (included in property, plant and equipment) correction of prior period error of R430 442 049 000
 - Note 62: change in accounting policy revaluation reserve of - R250 680 910 000
 - Note 50: depreciation and amortisation of R62 646 173 000 (2020: R65 307 302 000)

National Skills Fund

15. The public entity did not record all additions to TVET college infrastructure assets where substantially all the risks and rewards incidental to ownership were transferred to the public entity, in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) 17, Property, plant and equipment. I was unable to determine the full extent of the understatement of the TVET college infrastructure assets balance reported on the statement of financial position and note 31 to the consolidated financial statement. I was also unable to determine the resultant impact on accruals from non-exchange transactions (included in Taxes and Transfers Payable) in the consolidated statement of financial position and note 21 to the consolidated financial statements. This also has an impact on the capital commitments balance disclosed in note 67 to the consolidated financial statements.
16. In addition, the public entity did not account for the impairment for TVET college infrastructure assets in accordance with GRAP 21, impairment of non-cash generating assets. The public entity adjusted TVET college infrastructure assets to the fair value amount. This is contrary to the accounting policy, which requires TVET college infrastructure assets to be stated at cost less accumulated impairment losses. Consequently, TVET college infrastructure assets was overstated by R19 million. This also has an impact on the accumulated surplus.

Supported Employment Enterprises

17. I was unable to obtain sufficient appropriate evidence for property, plant, and equipment as the trading entity did not review the useful lives and residual value of assets at each reporting date in accordance with GRAP 17, Property, plant and equipment. This also resulted in assets with gross carrying amount of R8, 579 million (2018-19: R6, 687 million), which had a R1 net carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of assets as it was impracticable to do so. Consequently, I was unable to determine if there were any adjustments necessary to property, plant and equipment,

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

stated at R1 778 956 569 000 (2020: R1 751 278 814 000) as disclosed in note 31 to the consolidated financial statements.

Heritage assets

National Library of South Africa

18. I was unable to obtain sufficient appropriate audit evidence for heritage assets as required by GRAP 103, as the entity did not maintain adequate records of the heritage assets acquired prior to 1 April 2012. I was unable to confirm these heritage assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to heritage assets stated at R10 996 152 000 as disclosed in note 32 to the consolidated financial statements.

South African State Theatre

19. The public entity did not conduct an impairment assessment into property, plant and equipment, in accordance with GRAP 17, Property, plant and equipment, as there was no adequate system of internal control to assess assets for impairment. I was unable to determine the impact on the net carrying amount of property, plant and equipment stated at R1 778 956 569 000 (2020: R1 751 278 814 000) as disclosed in note 31 to the consolidated financial statements as it was impracticable to do so.

Inventory

Universal Service and Access Fund

20. I was unable to obtain sufficient and appropriate audit evidence for inventory balances for the current and previous year as the entity did not maintain an accurate and complete register of inventory held by third parties that could be reconciled to the annual financial statements. I was unable to confirm the inventory by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to inventory stated in disclosure note 6 at R50 489 678 000 (2020: R45 125 216 000) in the consolidated financial statements.
21. I was unable to obtain sufficient and appropriate audit evidence for the corresponding amount of

Inventory Redemptions included in Contracted Services due to inadequate internal controls implemented to support the expenses recorded. Consequently, I was unable to determine whether any adjustments were necessary to Inventory Redemptions of R8 174 000 included in Contracted Services as disclosed in note 51 to the consolidated financial statements by alternative means.

Supported Employment Enterprises

22. I was unable to obtain sufficient appropriate evidence for inventories as the trading entity did not maintain adequate records to support the cost of inventory items produced, which impacts the measurement of inventories as required GRAP 12, Inventories. I could not determine the impact of the net realisable value on inventories as it was impracticable to do so.
23. Additionally, there were misallocations between manufacturing overheads and, finished goods that resulted in misstatements of inventories and cost of sales, and, also had an impact on the surplus for the period and on the accumulated surplus. I could not determine the full extent of the errors as it was impracticable to do so. I could not confirm the inventories by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventories stated at R50 489 678 000 (2020: R45 125 216 000) in note 6 to the consolidated financial statements.

Other Receivables from Non-Exchange Transactions

National Skills Fund

24. I was unable to obtain sufficient appropriate evidence for trade and other receivables from non-exchange transactions as the public entity did not provide evidence to support that services had been received. This was due to inadequate project monitoring and expenditure approval processes at the public entity.
25. I was unable to confirm trade and other receivables from non-exchange transactions by alternative means, as the public entity's systems did not permit this. Consequently, I was unable

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

to determine whether any adjustment was necessary to other receivables from non-exchange transactions, stated at R10 382 781 000 (2019-20: R9 155 053 000) on the statement of financial position and note 3 to the consolidated financial statements. This also has an impact on the financial instrument disclosure in note 75 to the consolidated financial statements.

26. The public entity did not correctly account for the deferred expenditure related to skills development funding and the related trade and other receivables from non-exchange transactions and skills development funding. This is because the public entity incorrectly included trade and other receivables from non-exchange transactions and skills development funding, which constitutes a departure from GRAP 104, financial instruments. Consequently, Prepayments were overstated by R50, 6 million, other receivables from non-exchange transactions was understated by R44, 2 million and Grants and Subsidies Paid were understated by R6, 4 million, as stated on the statement of financial position and the statement of financial performance, respectively and disclosed in notes 7, 3 and 52 to the consolidated financial statements respectively. This also has an impact on the surplus for the period and on the accumulated surplus.

Agricultural Land Holding Account

27. I was unable to obtain sufficient appropriate audit evidence for other receivables from non-exchange transactions and the related provision for impairment, if any, as the trading account did not adequately assess the recapitalisation and development grants to determine the grants that had to be repaid and recognised as receivables.
28. I could not confirm the amount of other receivables from non-exchange transactions and the resultant impact on the prior period error disclosure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to other receivables from non-exchange transactions stated at R10 382 781 000 in note 75.1 of the consolidated financial statements (2019-20: R9 155 053 000) and the prior period error disclosure in note 63 of

the consolidated financial statements, respectively.

Statutory Receivables

Community Schemes Ombud Services

29. I was unable to obtain sufficient appropriate audit evidence for statutory receivables relating to levies, as the public entity did not have adequate systems to collect, process and record levies due. I was unable to confirm statutory receivables by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to statutory receivables stated at R15 728 339 000 (2020: R13 505 934 000) as disclosed in note 12 to the consolidated financial statements.

South African Tourism

30. I was unable to obtain sufficient appropriate audit evidence for statutory receivables as internal controls had not been implemented appropriately for the recording of expenditure incurred by the entity and paid by the third party when it accrued in the financial records. I could not confirm whether all receivables from non-exchange transactions had been recorded by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to other receivables from non-exchange transactions stated at R10 382 781 000 disclosed in note 75.1 to the consolidated financial statements.

Trade and other receivables from exchange transactions

Property Management Trading Entity

31. Receivables from exchange transactions was materially misstated by R534 504 138 due to the cumulative effect of individually immaterial uncorrected misstatements in Receivables from exchange transactions.

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Trade and other payables from exchange transactions

Property Management Trading Entity

32. The trading entity did not correctly value trade and other payables from exchange transactions in accordance with GRAP 104, financial instruments. Differences were noted between payments received in advance balances presented on the financial statements and the recalculated balance. Consequently, trade and other payables from exchange transactions is overstated by R450 258 312. This also has an impact on the surplus for the period and on the accumulated surplus.

Trade and Other Payables from Exchange Transactions

Housing Development Agency

33. We were unable to obtain sufficient appropriate audit evidence for clearing accounts, intercompany transfers and unknown receipts amounting to R4 222 933 (2020: R1 967 792) included in Trade and Other Payables from Exchange Transactions due to failure to maintain proper accounting records with regards to payment processing and reconciliation of control accounts by the public entity. We were unable to confirm these payables by alternative means. Consequently, we were unable to determine whether any further adjustments to Trade and Other Payables from Exchange Transactions stated at R122 908 801 000 (2020: R125 949 240 000) in note 19 to the consolidated financial statements were necessary.

Current Provisions

National Skills Fund

34. The public entity did not recognize all provisions meeting the definition of a provision in accordance with GRAP 19, Provisions, contingent liabilities and contingent assets. As the public entity did not maintain adequate records of amounts received from employers that are entitled to refunds over a five-year period, I was unable to determine the full extent of the understatement of current provisions, stated on the statement of financial position and disclosed

in note 23 to the consolidated financial statements, as it was impracticable to do so.

National Film and Video Foundation of South Africa

35. The foundation did not review the recognition of the provision for grants issued by NFVF at the reporting date in accordance with GRAP 19, Provisions, Contingent Liabilities and Contingent Assets. Where it was no longer probable that an outflow of resources would be required to settle the grant issued, the provision should be reversed. Consequently, current provisions were overstated by R14, 324,765. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

Non-Current Provisions

National Film and Video Foundation of South Africa

36. The foundation did not disclose the provision for grants issued by NFVF in accordance with GRAP 1, Presentation of Financial Statements. The split of the provision into current and noncurrent liabilities is misstated. Consequently, the classification of provisions which relate to non-current provisions is understated by R35, 899,775 (2020: overstated by R4, 262,500). Furthermore, the classification of provisions which relate to current provisions is overstated by R35, 899,775 (2020: understated by R3, 045,961).

Related parties

Universal Service and Access Fund

37. The entity did not disclose all Related Party transactions and balances in accordance with GRAP 20, Related Party Disclosures. I have not included the omitted information in this auditor's report as it was impracticable to do so. In addition, I was unable to obtain sufficient and appropriate evidence for related party balances and transactions due to inadequate internal controls implemented. Consequently, I was unable to determine whether any adjustment were necessary to the Related Party balance and Related Party transactions as disclosed in note 77 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Principals - agent arrangements

Universal Service and Access Fund

38. The entity did not disclose principle agent arrangements in accordance with GRAP 109, Accounting by Principals and Agents. I have not included the omitted information in this auditor's report as it was impracticable to do so. In addition, I was unable to obtain sufficient and appropriate evidence for the commitments disclosed in the entity's individual financial statements due to inadequate internal controls implemented. Consequently, I was unable to determine whether any adjustment was necessary to Principals and Agents arrangements as disclosed in note 76 to the consolidated financial statements.

Capital Commitments

Services Sector Education and Training Authority

39. I was unable to obtain sufficient appropriate audit evidence for commitments due to a lack of proper record keeping and reconciliation of commitments of the public entity. There were unexplained differences between the amounts in the underlying schedules and the amounts disclosed in note 67 of the financial statements. Furthermore, the public entity could not provide evidence to support the restatement to the opening balance disclosed in individual entity's financial statements. Consequently, I was unable to determine whether any further adjustments were necessary to the following items in the consolidated financial statements:

1. Capital Commitments stated at R271 022 727 000 as disclosed in Note 67 and
2. Prior period error stated at R561 215 120 000 as disclosed in Note 63.

The foundation did not recognize commitments for beneficiary grants and provisions for grants issued in accordance with GRAP 19, Provisions, Contingent Liabilities and Contingent Assets. Grants approved by council but not yet contracted for have incorrectly been recognized as provisions for grants issued. Consequently, provision for grants issued was overstated by

R10, 778,540. Additionally, there was an impact on the surplus for the period, the accumulated surplus, grant expenses and the disclosed commitments.

Irregular expenditure

South African Broadcasting Corporation Limited

40. The public entity did not include particulars of all irregular expenditure in the notes to the consolidated and separate financial statements in the prior years, as required by section 55(2)(b)(i) of the PFMA. This was due to payments made in contravention of supply chain management requirements. The public entity did not implement adequate procedures in the past to identify and record all instances of irregular expenditure from prior years and the possible impact of these transactions on the ongoing multi-year contracts which were concluded in those years.

41. The full extent of the misstatement identified could not be quantified and I was unable to confirm the amount of irregular expenditure to be disclosed by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure disclosure stated at R306, 5 billion in note 66 to the consolidated and separate financial statements.

Transnet Limited

42. The public entity did not fully and accurately record irregular expenditure in the notes to the financial statements, as required by section 55(2)(b)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. Payments made in contravention of the supply chain management requirements resulted in irregular expenditure that was not always identified and reported on. In addition, irregular expenditure reported did not agree to the supporting payment schedules. I was unable to determine the full extent of the understatement of irregular expenditure stated at R306, 5 billion in note 66 to the consolidated and

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

separate financial statements, as it was impracticable to do so.

Eskom

43. The public entity did not fully and accurately record irregular expenditure in the notes to the financial statements, as required by section 55(2)(b)(i) of the PFMA. This was due to inadequate systems to detect, record and appropriately disclose this expenditure in the financial statements. We were unable to determine the full extent of the misstatement of the irregular expenditure disclosed in terms of section 55(2)(b)(i) of the PFMA stated at R306,5 billion (2020: R301,6 billion) in the consolidated financial statements respectively, as it was impractical to do so.

Fruitless and wasteful expenditure

Housing Development Agency

44. Section 55 (2) (b)(i) of PFMA requires the public entity to disclose in a note to the financial statements particulars of all irregular expenditure and fruitless and wasteful expenditure that has occurred during the year, the public entity did not have adequate systems for identifying and recording all irregular expenditure and fruitless and wasteful expenditure and there were no satisfactory alternative procedures that could be performed to obtain reasonable assurance that all irregular expenditure and fruitless and wasteful expenditure disclosed in note 65 in the consolidated financial statements for R11,2 billion (2020: R7,2 billion).

Unspent Conditional Grants and Receipts

Housing Development Agency

45. The public entity did not have adequate systems to maintain records of project obligations and reconcile the balances monthly. This resulted in projects obligations (included in Current portion of unspent conditional grants and receipts) being misstated by R2 431 647. (2020: 2 250 145)
46. We were also unable to obtain sufficient appropriate audit evidence for project obligations due to some confirmations that were not received from departments and municipalities.

We were unable to confirm these balances by alternative means. Consequently, we were unable to determine whether any further adjustments to Current portion of unspent conditional grants and receipts stated at R23 095 887 000 (2020: R20 666 726 000) in note 24 to the consolidated financial statements were necessary and its effect on the consolidated financial statements.

Correction of Prior period error

National Skills Fund

47. The public entity did not disclose all prior period errors in note 63 to the financial statements, as required by GRAP 3, Accounting policies, estimates and errors. The amounts of the correction for each financial statement item affected were not entirely disclosed in all instances. In addition, I was unable to obtain sufficient appropriate audit evidence that all the prior period errors were disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the correction of prior period errors disclosed in the consolidated financial statements.

Cash flow statement

Supported Employment Enterprises

48. The trading entity did not correctly prepare and disclose the net cash flows from operating activities, as required by GRAP 2, Cash flow statements. This was due to multiple errors in determining cash flows from operating activities. I was unable to determine the full extent of the errors in the net cash flows as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from operating activities as stated in the consolidated financial statements were necessary.

South African State Theatre

49. The public entity did not correctly prepare and disclose the net cash flows from operating activities as required by GRAP 2, Cash flow

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

statements. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments were necessary to cash flows from operating activities, stated at R741 383 824 000 in the consolidated financial statements.

Basis of preparation

50. I was unable to obtain sufficient appropriate audit evidence of the completeness and accuracy of the elimination of inter-entity transactions and balances in respect of the current and prior year because the government's systems and processes were not at a level of maturity that would enable credible whole-of-government consolidation. I was unable to perform alternative procedures to obtain reasonable assurance that inter-entity transactions and balances were eliminated in full. As a result of this, all inter-entity balances have not been fully eliminated and this has a resultant impact on related-party disclosures required by GRAP. These remaining balances not eliminated have not been disclosed as related-party transactions as required by GRAP20.
51. I was unable to obtain sufficient appropriate audit evidence in respect of thirty¹ public entities whose unaudited financial information was included for consolidation because the audits of these entities had not been finalised in time to prepare the consolidated financial statements. Consequently, I could not determine by alternative means whether any further

adjustments to the consolidated financial information of these entities were necessary.

52. The national public entities' financial statements have not consolidated nine² public entities as required by GRAP 35, Consolidated and separate financial statements due to non-submission of financial information for the 2020-21 financial year. The effects on the consolidated financial statements of the failure to consolidate could not be determined for 31 March 2021 and corresponding figures.

Context for the opinion

53. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated financial statements section of my report.
54. I am independent of the department in accordance with the International Ethics Standards Board for *Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
55. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my disclaimer of opinion.

¹ Bloem Water , Breede-Gouritz Catchment Management Agency, Central Energy Fund Soc Ltd, Compensation Fund, including Reserve Fund , Independent Development Trust, Isimangaliso Wetland Park, Landbank , Lepelle Northern Water , Magalies Water , Marine Living Resources Fund, Mhlathuze Water , National Lotteries Commission, Overberg Water, Passenger Rail Agency of South Africa ,Rand Water, Represented Political Parties Fund, Road Accident Fund, Road Traffic Infringement Agency, Robben Island Museum, Sasria Limited , South African Maritime Safety Authority, South African Nuclear Energy Corporation Limited, South African

Post Office Limited, State Information Technology Agency, Supported Employment Enterprises , Trans-Caledon Tunnel Authority, Transnet Limited, Umgeni Water Unemployment Insurance Fund and Water Trading Account.

² Alexkor Limited, Amatola Water Board , Compensation Commissioner for Occupational Diseases, Denel Soc Ltd , Government Printing Works, Sedibeng Water , South African Airways (Pty) Ltd , South African Express (Pty) Ltd and South African Postbank SOC Ltd

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Emphasis of matters

56. I draw attention to the matters below. My opinion is not modified in respect of matters these.

Ministerial exemption in terms of section 92 of the PFMA from preparing a single set of consolidated financial statements

57. As disclosed in note 55 to the consolidated financial statements, the minister of Finance granted the National Treasury exemption in terms of section 92 of the PFMA from the provisions of section 8(1) of the act. The exemption applies to the financial periods 2020-21 to 2024-25 and allows the National Treasury not to prepare a single set of consolidated financial statements for national departments and national public entities.

Fruitless and Wasteful Expenditure

58. As disclosed in note 66 to the financial statements, the National Treasury Consolidations of National Public Entities has reported an accumulated balance at 31 March 2021 of fruitless and wasteful expenditure amounting to R11 230 522 000 (2019-20: R7 278 670 000). This represents a R3 951 852 000 (54%) increase from the prior year. This increase in fruitless and wasteful expenditure is due to the cumulative amounts aggregation in the consolidations audit.

Restatement of corresponding figures

59. As disclosed in notes 64 to the consolidated financial statements, the corresponding figures for 31 March 2020 were restated as a result of errors in the financial statements of the national public entities.

Other matter

60. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

61. The supplementary information set out on pages 167 to 175 does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the consolidated financial statements

62. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

63. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the national public entities ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the national public entities or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the consolidated financial statements

64. My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

65. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

Internal control deficiencies

66. I considered internal control relevant to my audit of the consolidated financial statements. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion included in this report.
67. Management did not develop and implement adequate action plans to address prior year audit findings related to and consequently similar matters were reported in the current year.
68. Lack of consequences for poor performance and transgressions at national public entities impedes the preparation of credible and accurate financial statements.
69. The slow response from leadership in capacitating the government workforce does not enable credible consolidated financial statements and thus compliance with the requirements of the PFMA and the financial reporting framework.
70. Consolidation systems and processes are not at the required level of maturity to enable compliance with the requirements of the PFMA

and the financial reporting framework in respect of whole-of-government consolidation.

Auditor-General

Pretoria,

7 December 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated financial statements.

Financial statements

2. In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 department’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National

Treasury to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Annexure A

List of entities consolidated

31 March 2021		31 March 2020	
1	Academy of Science of South Africa	1	Academy of Science of South Africa
2	Accounting Standards Board	2	Accounting Standards Board
3	African Renaissance International Cooperation Fund	3	African Renaissance International Cooperation Fund
4	Agrément South Africa	4	Agreement South Africa
5	Agricultural Land Holding Account	5	Agricultural Land Holding Account
6	Agricultural Research Council	6	Agricultural Research Council
7	Agricultural Sector Education and Training Authority	7	Agricultural Sector Education and Training Authority
8	Air Traffic and Navigation Services Company Limited	8	Air Traffic and Navigation Services Company Limited
9	Airports Company of South Africa Ltd	9	Airports Company of South Africa Ltd
10	Amazwi South African Museum of Literature	10	Amatola Water Board
11	Armaments Corporation of South Africa Limited (ARSMCOR)	11	Armaments Corporation of South Africa Limited (ARSMCOR)
12	Artscape	12	Artscape
13	Auditor General of South Africa	13	Auditor General of South Africa
14	Banking Sector Education and Training Authority	14	Banking Sector Education and Training Authority
15	Bloem Water	15	Bloem Water
16	Boxing South Africa	16	Boxing South Africa
17	Brand SA	17	Brand SA
18	Breede-Gouritz Catchment Management Agency	18	Broadband Infrastructure Company (Pty) Ltd
19	Broadband Infraco	19	Castle Control Board
20	Castle Control Board	20	CEF (Pty) Ltd
21	CEF (Pty) Ltd	21	Chemical Industries Education and Training Authority
22	Chemical Industries Education and Training Authority	22	Commission for Gender Equality (CGE)
23	Commission for Conciliation, Mediation & Arbitration	23	Community Schemes Ombud Services
24	Commission for Gender Equality (CGE)	24	Companies and Intellectual Property Commission
25	Commission on Restitution of Land Rights	25	Companies Tribunal
26	Community Schemes Ombud Services	26	Compensation Fund, including Reserve Fund
27	Companies and Intellectual Property Commission	27	Competition Commission
28	Companies Tribunal	28	Competition Tribunal
29	Compensation Fund, including Reserve Fund	29	Construction Education and Training Authority
30	Competition Commission	30	Construction Industry Development Board
31	Competition Tribunal	31	Co-Operatives Banks Development Agency
32	Construction Education and Training Authority	32	Council for Geoscience
33	Construction Industry Development Board	33	Council for Medical Schemes
34	Co-Operatives Banks Development Agency	34	Council for Scientific and Industrial Research
35	Council for Geoscience	35	Council for the Built Environment
36	Council for Medical Schemes	36	Council on Higher Education

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31 March 2021		31 March 2020	
37	Council for Scientific and Industrial Research	37	Cross-Border Road Transport Agency
38	Council for the Built Environment	38	Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority
39	Council on Higher Education	39	Deeds Registration Trading Account
40	Cross-Border Road Transport Agency	40	DENEL (Pty) Ltd
41	Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority	41	Development Bank of Southern Africa
42	Deeds Registration Trading Account	42	Die Afrikaanse Taal Museum
43	Development Bank of Southern Africa	43	Ditsong: Museums of Africa
44	Die Afrikaanse Taal Museum	44	Driving License Card Trading Account
45	Ditsong: Museums of Africa	45	Education, Training and Development Practices SETA
46	Driving License Card Trading Account	46	Energy & Water Sector Education and Training Authority
47	Education, Training and Development Practices SETA	47	Equalisation Fund
48	Energy & Water Sector Education and Training Authority	48	ESKOM
49	Equalisation Fund	49	Estate Agency Affairs Board
50	ESKOM	50	Export Credit Insurance Corporation of South Africa Limited
51	Estate Agency Affairs Board	51	Fibre Processing Manufacturing Sector Education and Training Authority
52	Export Credit Insurance Corporation of South Africa Limited	52	Film and Publication Board
53	Fibre Processing Manufacturing Sector Education and Training Authority	53	Financial & Fiscal Commission
54	Film and Publication Board	54	Financial and Accounting Services SETA
55	Financial & Fiscal Commission	55	Financial Intelligence Centre
56	Financial and Accounting Services SETA	56	Financial Sector Conduct Authority
57	Financial Intelligence Centre	57	Food and Beverages Manufacturing Industry SETA
58	Financial Sector Conduct Authority	58	Freedom Park Trust
59	Food and Beverages Manufacturing Industry SETA	59	Government Pensions Administration Agency
60	Freedom Park Trust	60	Government Printing Works
61	Government Pensions Administration Agency	61	Government Technical Advisory Centre (GTAC)
62	Government Technical Advisory Centre (GTAC)	62	Health and Welfare Sector Education and Training Authority
63	Health and Welfare Sector Education and Training Authority	63	Housing Development Agency
64	Housing Development Agency	64	Human Sciences Research Council
65	Human Sciences Research Council	65	Independent Communications Authority of South Africa
66	Independent Communications Authority of South Africa	66	Independent Development Trust
67	Independent Development Trust	67	Independent Electoral Commission
68	Independent Electoral Commission	68	Independent Regulatory Board for Auditors
69	Independent Regulatory Board for Auditors	69	Industrial Development Corporation of South Africa Limited
70	Industrial Development Corporation of South Africa Limited	70	Ingonyama Trust Board
71	Ingonyama Trust Board	71	Inkomati-Usuthu Catchment Management Agency
72	Inkomati-Usuthu Catchment Management Agency	72	Insurance Sector Education and Training Authority

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31 March 2021		31 March 2020	
73	Insurance Sector Education and Training Authority	73	International Trade Administration Commission
74	International Trade Administration Commission	74	Isimangaliso Wetland Park
75	Isimangaliso Wetland Park	75	Iziko Museums of Cape Town
76	Iziko Museums of South Africa	76	Kwa-Zulu Natal Museum
77	Kwa-Zulu Natal Museum	77	LANDBANK
78	LANDBANK	78	Legal Aid South Africa
79	Legal Aid South Africa	79	Lepelle Northern Water
80	Lepelle Northern Water	80	Local Education and Training Authority
81	Local Government Education and Training Authority	81	Luthuli Museum
82	Luthuli Museum	82	Magalies Water
83	Magalies Water	83	Manufacturing Engineering and Related Services SETA
84	Manufacturing Engineering and Related Services Education Tra	84	Marine Living Resources Fund
85	Marine Living Resources Fund	85	Market Theatre Foundation
86	Market Theatre Foundation	86	Media Development Diversity Agency
87	Media Development Diversity Agency	87	Media, Information and Communication Technologies SETA
88	Media, Information and Communication Technologies Sector Edu	88	Medical Research Council of South Africa
89	Medical Research Council of South Africa	89	Mhlathuze Water
90	Mhlathuze Water	90	Mine Health and Safety Council
91	Mine Health and Safety Council	91	Mining Qualifications Authority
92	Mining Qualifications Authority	92	MINTEK
93	MINTEK	93	Municipal Demarcation Board
94	Municipal Demarcation Board	94	Municipal Infrastructure Support Agency
95	Municipal Infrastructure Support Agency	95	National Agricultural Marketing Council
96	National Agricultural Marketing Council	96	National Arts Council of South Africa
97	National Arts Council of South Africa	97	National Consumer Commission
98	National Consumer Commission	98	National Consumer Tribunal
99	National Consumer Tribunal	99	National Credit Regulator
100	National Credit Regulator	100	National Development Agency
101	National Development Agency	101	National Economic Development and Labour Council
102	National Economic Development and Labour Council	102	National Electronic Media Institute of South Africa
103	National Electronic Media Institute of South Africa	103	National Empowerment Fund
104	National Empowerment Fund	104	National Energy Regulator of South Africa
105	National Energy Regulator of South Africa	105	National English Literary Museum
106	National Film and Video Foundation of South Africa	106	National Film and Video Foundation of South Africa
107	National Gambling Board of South Africa	107	National Gambling Board of South Africa
108	National Health Laboratory Service	108	National Health Laboratory Service
109	National Heritage Council of South Africa	109	National heritage Council of South Africa
110	National Home Builders Registration Council	110	National Home Builders Registration Council
111	National Housing Finance Corporation Limited	111	National Housing Finance Corporation Limited
112	National Library of South Africa	112	National Library of South Africa
113	National Lotteries Commission	113	National Lotteries Commission
114	National Metrology Institute of South Africa	114	National Metrology Institute of South Africa
115	National Museum, Bloemfontein	115	National Musuem, Bloemfontein

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31 March 2021	31 March 2020
116 National Nuclear Regulator	116 National Nuclear Regulator
117 National Radioactive Waste Disposal Institute	117 National Radioactive Waste Disposal Institute
118 National Regulator for Compulsory Specifications	118 National Regulator for Compulsory Specifications
119 National Research Foundation	119 National Research Foundation
120 National School of Government	120 National School of Government
121 National Skills Fund	121 National Skills Fund
122 National Student Financial Aid Scheme	122 National Student Financial Aid Scheme
123 National Youth Development Agency	123 National Youth Development Agency
124 Nelson Mandela National Museum	124 Nelson Mandela National Museum
125 Office of Health Standards Compliance	125 Office of Health Standards Compliance
126 Office of the Ombud for Financial Services Providers	126 Office of the Ombud for Financial Services Providers
127 Office of the Pension Fund Adjudicator	127 Office of the Pension Fund Adjudicator
128 Office of the Valuer-General	128 Office of the Valuer-General
129 Onderstepoort Biological Products Limited	129 Onderstepoort Biological Products Limited
130 Overberg Water	130 Pan South African Language Board
131 Pan South African Language Board	131 Passenger Rail Agency of South Africa
132 Passenger Rail Agency of South Africa	132 Performing Arts Council of the Free State
133 Performing Arts Council of the Free State	133 Perishable Products Export Control Board
134 Perishable Products Export Control Board	134 Playhouse Company
135 Playhouse Company	135 Ports Regulator of South Africa
136 Ports Regulator of South Africa	136 President's Fund
137 President's Fund	137 Private Security Industry Regulatory Authority
138 Private Security Industry Regulatory Authority	138 Productivity SA
139 Productivity SA	139 Property Management Trading Entity
140 Property Management Trading Entity	140 Public Investment Corporation Limited
141 Public Investment Corporation Limited	141 Public Protector of South Africa
142 Public Protector of South Africa	142 Public Service Sector Education and Training Authority
143 Public Service Sector Education and Training Authority	143 Quality Council for Trades and Occupations
144 Quality Council for Trades and Occupations	144 Railway Safety Regulator
145 Railway Safety Regulator	145 Rand Water
146 Rand Water	146 Represented Political Parties Fund
147 Represented Political Parties Fund	147 Road Accident Fund
148 Road Accident Fund	148 Road Traffic Infringement Agency
149 Road Traffic Infringement Agency	149 Road Traffic Management Corporation
150 Road Traffic Management Corporation	150 Robben Island Museum
151 Robben Island Museum	151 Safety and Security Education and Training Authority
152 Safety and Security Education and Training Authority	152 Sasria Limited
153 Sasria Limited	153 Sentech Limited
154 Sentech Limited	154 Services Sector Education and Training Authority
155 Services Sector Education and Training Authority	155 Small Enterprise Development Agency
156 Small Enterprise Development Agency	156 Social Housing Regulatory Authority
157 Social Housing Regulatory Authority	157 South African Airways (Pty) Ltd
158 South African Broadcasting Corporation Limited	158 South African Broadcasting Corporation Limited
159 South African Bureau of Standards	159 South African Bureau of Standards

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31 March 2021		31 March 2020	
160	South African Civil Aviation Authority	160	South African Civil Aviation Authority
161	South African Council for Educators	161	South African Council for Educators
162	South African Diamond and Precious Metals Regulator	162	South African Diamond and Precious Metals Regulator
163	South African Forestry Company Limited	163	South African Forestry Company Limited
164	South African Health Products Regulatory Authority	164	South African Health Products Regulatory Authority
165	South African Heritage Resources Agency	165	South African Heritage Resources Agency
166	South African Human Rights Commission	166	South African Human Rights Commission
167	South African Institute for Drug-Free Sport	167	South African Institute for Drug-Free Sport
168	South African Library for the Blind	168	South African Library for the Blind
169	South African Local Government Association	169	South African Local Government Association
170	South African Maritime Safety Authority	170	South African Maritime Safety Authority
171	South African National Accreditation System	171	South African National Accreditation System
172	South African National Biodiversity Institute	172	South African National Biodiversity Institute
173	South African National Energy Development Institute	173	South African National Energy Development Institute
174	South African National Parks	174	South African National Parks
175	South African National Roads Agency Limited	175	South African National Roads Agency Limited
176	South African National Space Agency	176	South African National Space Agency
177	South African Nuclear Energy Corporation Limited	177	South African Nuclear Energy Corporation Limited
178	South African Post Office Limited	178	South African Qualifications Authority
179	South African Qualifications Authority	179	South African Reserve Bank
180	South African Reserve Bank	180	South African Revenue Services (SARS)
181	South African Revenue Services (SARS)	181	South African Social Services Agency
182	South African Social Security Agency	182	South African State Theatre
183	South African State Theatre	183	South African Tourism
184	South African Tourism	184	South African Weather Service
185	South African Weather Service	185	Special Investigation Unit
186	Special Investigation Unit	186	State Diamond Trader
187	State Diamond Trader	187	State Information Technology Agency
188	State Information Technology Agency	188	Supported Employment Enterprise
189	Supported Employment Enterprises	189	Technology Innovation Agency
190	Technology Innovation Agency	190	Telkom SA Limited
191	Telkom SA Limited	191	The Commission for PPRCRLC
192	The Commission for PPRCRLC	192	Commission on Restitution of Land Rights
193	Thubelisha Homes	193	Thubelisha Homes
194	Trans-Caledon Tunnel Authority	194	Trans-Caledon Tunnel Authority
195	Transnet Limited	195	Transnet Limited
196	Transport Education and Training Authority	196	Transport Education and Training Authority
197	uMalusi Council for Quality Assurance in General and Further	197	uMalusi Council for Quality Assurance in General and Further Education
198	Umgeni Water	198	Umgeni Water
199	uMsunduzi Museum (Includes Voortrekker Museum)	199	uMsunduzi Museum (includes Voortrekker Museum)
200	Unemployment Insurance Fund	200	Unemployment Insurance Fund

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31 March 2021		31 March 2020	
201	Universal Service and Access Agency of South Africa	201	Universal Service and Access Agency of South Africa
202	Universal Service and Access Fund	202	Universal Service and Access Fund
203	War Museum of the Boer Republics	203	War Museum of the Boer Republics
204	Water Research Commission	204	Water Research Commission
205	Water Trading Account	205	Water Trading Account
206	Wholesale and Retail Sector Education and Training Authority	206	Wholesale and Retail Sector Education and Training Authority
207	William Humphreys Art Gallery	207	William Humphreys Art Gallery
		208	Overberg Water
		209	Commission for Conciliation, Mediation and Arbitration
		210	Breede-Gouritz Catchment Management Agency

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

■ Annexure B

PFMA listed and unlisted entities not consolidated

31 March 2021	31 March 2020
1 Alexkor Limited	1 Compensation Commissioner for Occupational Diseases
2 Amatola Water Board	2 South African Post Office Limited
3 Compensation Commissioner for Occupational Diseases	3 Alexkor Limited
4 DENEL	4 South African Express (Pty) Ltd
5 Government Printing Works	5 Sedibeng Water
6 Sedibeng Water	
7 South African Airways (Pty) Ltd	
8 South African Express (Pty) Ltd	
9 South African Postbank SOC Ltd	

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

■ Annexure C

List of entities consolidated with year ends other than 31 March

31 March 2021		31 March 2020	
1	Amatola Water Board	1	Amatola Water Board
2	Bloem Water	2	Bloem Water
3	Lepelle Northern Water	3	Lepelle Northern Water
4	Magalies Water	4	Magalies Water
5	Mhlathuze Water	5	Mhlathuze Water
6	Overberg Water	6	Overberg Water
7	Rand Water	7	Rand Water
8	Sedibeng Water	8	Sedibeng Water
9	Umgeni Water	9	Umgeni Water

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Annexure D

List of entities consolidated based on draft AFS

31 March 2021		31 March 2020	
1	Independent Development Trust	1	Amatola Water Board
2	Bloem Water	2	DENEL (Pty) Ltd
3	Breede-Gouritz Catchment Management Agency	3	Independent Development Trust
4	CEF (Pty) Ltd	4	Water Trading Account
5	Isimangaliso Wetland Park	5	Lepelle Northern Water
6	Lepelle Northern Water	6	Umgeni Water
7	Magalies Water	7	South African Airways (Pty) Ltd
8	Marine Living Resources Fund	8	South African Nuclear Energy Corporation Limited
9	Mhlathuze Water	9	CEF (Pty) Ltd
10	National Lotteries Commission	10	Agricultural Land Holdings Account
11	Overberg Water	11	Equalisation Fund
12	Passenger Rail Agency of South Africa	12	Government Printing Works
13	Rand Water	13	Unemployment Insurance Fund
14	Road Accident Fund	14	Independent Electoral Commission
15	Road Traffic Infringement Agency	15	Land Bank
16	South African Maritime Safety Authority	16	Represented Political Parties Fund
17	South African Nuclear Energy Corporation Limited	17	Rand Water
18	South African Post Office Limited	18	National Skills Fund
19	Trans-Caledon Tunnel Authority		
20	Umgeni Water		
21	Water Trading Account		
22	State Information Technology Agency		
23	LANDBANK		
24	Sasria Limited		
25	Transnet Limited		
26	Represented Political Parties Fund		
27	Compensation Fund, including Reserve Fund		
28	Robben Island Museum		
29	Supported Employment Enterprises		
30	Unemployment Insurance Fund		

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2021

	Note	2020/21 R '000	2019/20 R '000
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		208 185 118	212 813 617
Government grants and subsidies	37	101 610 039	97 355 957
Public contributions and donations	38	22 546 795	25 314 785
Transfers and Sponsorships	39	7 292 531	8 091 859
Fines and Penalties	40	428 363	998 246
Legislative and Oversight functions	41	70 655 095	72 735 305
Taxation revenue	42	5 185 328	7 772 507
Licences and permits		466 968	544 958
REVENUE FROM EXCHANGE TRANSACTIONS		456 137 679	497 531 094
Sale of Goods & Rendering of Services	43	382 189 854	397 505 815
Rental of facilities and equipment	44	5 384 786	7 450 036
Interest earned - external investments	45	44 450 203	59 101 532
Interest earned - outstanding receivables	46	6 760 730	7 240 444
Other income	47	16 551 573	25 428 978
Licences and permits		800 532	804 290
TOTAL REVENUE		664 322 797	710 344 711
EXPENSES			
Employee related costs	48	(141 115 640)	(134 175 672)
Repairs and maintenance	49	(21 216 801)	(19 114 079)
Depreciation and amortisation expense	50	(62 646 173)	(65 307 302)
Contracted services	51	(6 024 232)	(4 987 594)
Grants and subsidies paid	52	(22 989 725)	(26 283 945)
Finance costs	53	(71 629 299)	(81 019 134)
General expenses	54	(344 897 023)	(375 679 492)
Bad debts		(1 931 993)	(4 158 518)
Non Profit institutions and donor project expenses		(493 230)	(533 382)
TOTAL EXPENSES		(672 944 116)	(711 259 119)
OTHER GAINS / (LOSSES)		(75 292 173)	52 400 881
Gain / (Loss) on sale of assets	55	(1 914 617)	(5 159 853)
Impairment (Loss) / Reversal of impairment loss	56	(15 419 179)	(33 341 962)
Gain / (Loss) on fair value adjustment	57	(81 259 065)	120 125 180
Gain / (Loss) on revaluation of assets	58	24 561 016	(28 794 701)
Inventories: Reversal of write-down to net realisable value		2	11
Inventories: Write-down to net realisable value		(1 260 330)	(427 794)
Share of surplus/ (deficit) of joint venture using equity method	16	78 359	65 579
Share of surplus/ (deficit) of associate	17	2 614 097	2 012 701

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2021

	Note	2020/21 R '000	2019/20 R '000
Continuing Operations Surplus/ (Deficit) before tax		(81 221 037)	53 564 753
Taxation	59	6 382 468	959 256
Continuing Operations Surplus/ (Deficit) after tax		(74 838 569)	54 524 009
DISCONTINUED OPERATIONS SURPLUS / (DEFICIT) AFTER TAX	60	14 294	(3 476 026)
TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX		(74 824 275)	51 047 983
<i>Attributable to:</i>			
<i>Owners of the controlling entity</i>		(74 724 547)	50 609 249
<i>Non-Controlling Interests</i>		(99 728)	438 734

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

	Note	2020/21 R '000	2019/20 R '000
ASSETS			
Current assets		1 397 700 258	1 606 876 436
Cash and cash equivalents	1	284 430 173	222 701 504
Trade and other receivables from exchange transactions	2	69 106 268	64 742 821
Other receivables from non-exchange transactions	3	10 382 781	9 155 053
Other current financial assets	4	891 446 277	1 165 366 310
Current portion of non-current receivables	5	17 758 225	14 056 454
Inventories	6	50 489 678	45 125 216
Prepayments	7	14 773 299	19 977 714
Current Investments	8	42 989 829	43 370 756
Construction contract receivables	9	108 490	221 474
Current assets held for sale	10	341 044	8 514 133
Finance lease receivable	11	138 337	131 283
Statutory receivables	12	15 728 339	13 505 934
Operating Lease Asset		7 516	7 784
Non-current assets		2 388 419 932	2 352 495 846
Non-current receivables from exchange transactions	13	23 813 303	19 608 824
Non-Current Investments	14	363 616 666	359 315 559
Non-Current Finance Lease Receivable	11	534 907	559 310
Other non-current financial assets	15	51 281 322	65 265 893
Investments in Joint Ventures	16	711 906	704 142
Investments in Associates	17	55 736 913	53 462 269
Deferred Tax Assets	18	29 065 971	18 681 131
Defined benefit plan assets	30	4 202 944	2 817 856
Property, plant and equipment	31	1 778 956 569	1 751 278 814
Heritage assets	32	10 996 152	10 760 363
Intangible assets	33	29 530 244	29 777 213
Investment property	34&35	35 937 260	35 991 218
Biological assets	36.1	3 423 691	3 323 633
Living resources	36.2	3 825	660
Operating Lease Assets		608 260	948 960
TOTAL ASSETS		3 786 120 190	3 959 372 282

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

	Note	2020/21 R '000	2019/20 R '000
LIABILITIES			
Current liabilities		1 403 458 950	1 328 336 488
Bank overdraft	1	1 037 772	2 686 959
Trade and other payables from exchange transactions	19	122 908 801	125 949 240
VAT payable	20	4 610 645	4 559 218
Taxes and transfers payable	21	5 110 480	4 438 583
Other current financial liabilities	22	1 074 176 131	950 128 381
Current provisions	23	56 749 237	100 176 623
Current portion of unspent conditional grants and receipts	24	23 095 887	20 666 726
Current portion of long-term borrowings	25	97 588 623	100 861 932
Short-Term Borrowings	26	11 063 534	11 923 474
Current portion of finance lease liability	27	1 961 404	2 142 623
Current portion of operating lease liability		518 036	525 594
Service Concession Arrangement	74	135 049	133 308
Deferred Income		4 503 351	4 143 827
Non-current liabilities		1 043 725 742	1 110 393 526
Deferred Tax Liabilities	18	71 014 863	67 040 935
Unspent conditional grants and receipts	24	52 193 216	53 643 377
Long-term borrowings	25	615 839 822	715 486 913
Finance lease liability	27	14 023 153	14 411 960
Non-current provisions	28	120 906 924	103 940 640
Other non-current financial liabilities	29	27 580 725	28 661 983
Defined benefit plan obligations	30	25 897 197	23 041 762
Deferred Income	47	109 795 724	97 858 204
Operating lease liability		6 474 118	6 307 753
TOTAL LIABILITIES		2 447 184 692	2 438 730 014
NET ASSETS		1 338 935 498	1 520 642 268
Ordinary Shares		223 070 867	165 241 337
Preference Shares		250 000	250 000
Revaluation Reserve		416 076 327	402 706 750
Contributed Capital		25 918 934	22 918 934
Translation Reserve		2 540 788	3 707 711
Other Reserves		118 779 982	136 262 319
Accumulated Surplus/ (Deficit)		552 959 778	789 920 710
Non-Controlling Interests		(661 178)	(365 493)
TOTAL NET ASSETS AND LIABILITIES		3 786 120 190	3 959 372 282

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2021

Attributable To Owners Of The Controlling Entity									
	Ordinary Shares R '000	Preference Shares R '000	Revaluation Reserve R '000	Contributed Capital R '000	Translation Reserve R '000	Other reserves R '000	Accumulated Surplus/ (Deficit) R '000	Non-Controlling Interests R '000	Total Net Assets R '000
BALANCE AT 31 MARCH 2019	113 041 338	250 000	434 745 041	22 817 831	2 717 704 119	212 925	400 405 678	(162 992)	1 093 027 527
Changes in accounting policy			364 238		(772 684)		254 206 663		253 798 217
Correction of prior period error			(399 875)		4 057 150		18 859 764	(7 203)	22 509 836
BALANCE AT 1 APRIL 2019	113 041 338	250 000	434 709 404	22 817 831	2 717 704 122	497 391	673 472 106	(170 195)	1 369 335 580
Net of Tax Surplus / (Deficit) on revaluation of Property, Plant & Equipment			(22 526 722)						(22 526 722)
Net of Tax Surplus / (Deficit) on revaluation of Intangible Assets			-						-
Net of Tax Surplus / (Deficit) on revaluation of heritage assets			3 188						3 188
Net of Tax Surplus / (Deficit) on Revaluation of Investments Available For Sale			(97 232)						(97 232)
Net Of Tax Currency Translation Differences					409 036				409 036
Transfers to / from other reserves						4 805 791	(9 199 524)	76	(4 419 683)
Increase / (Decrease) in Share Capital / Capital Contributions	52 200 000								52 200 000
Surplus / (Deficit) for the period as per Statement of Financial Performance							50 609	438 734	51 047 983
Transfers to / from accumulated surplus/(deficit)					603 372	1 704	1 292	(10 437)	3 590 827
Dividends Paid (Net Of STC)						998	893	(621 442)	(777 856)
Cash flow hedges						4 815 639	(156 414)		4 815 639
Contributions introduced				50 000			(50 000)	(2 228)	(2 228)
Other Movements			(9 356 358)	51 103	(22 401)	2 438 499	73 869 918	(2)	66 980 758

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2021

	Attributable To Owners Of The Controlling Entity							Non-Controlling Interests R '000	Total Net Assets R '000
	Ordinary Preference Shares R '000	Revaluation Reserve R '000	Contributed Capital R '000	Translation Reserve R '000	Other Reserves R '000	Accumulated Surplus/(Deficit) R '000			
BALANCE AT 31 MARCH 2019	165 241 337	402 706 253	22 918 934	3 707 711	136 262 319	789 838 229	(365 494)	1 520 559 289	
Changes in accounting policy		497				82 481	1	82 979	
Correction of prior period error									
BALANCE AT 1 APRIL 2020	165 241 337	402 706 750	22 918 934	3 707 711	136 262 319	789 920 710	(365 493)	1 520 642 268	
Net of Tax Surplus / (Deficit) on revaluation of Property, Plant & Equipment		4 879 974						4 879 974	
Net of Tax Surplus / (Deficit) on revaluation of Intangible Assets		158 909						158 909	
Net of Tax Surplus / (Deficit) on revaluation of heritage assets									
Net of Tax Surplus / (Deficit) on Revaluation of Investments Available For Sale		27 467						27 467	
Net Of Tax Currency Translation Differences				(665 000)				(665 000)	
Transfers to / from other reserves		(32 592)		3 574 358		(2 260 416)		1 281 350	
Increase / (Decrease) in Share Capital / Capital Contributions	57 829 530		3 000 000					60 829 530	
Surplus / (Deficit) for the period as per Statement of Financial Performance		(27 981)		(522 111)	(15 158 863)	12 909 709	(99 728)	(74 824 275)	
Transfers to / from accumulated surplus/(deficit)					(103 760)			(304 769)	
Dividends Paid (Net Of STC)					(6 617 917)			(6 617 917)	
Cash flow hedges						(30 282)		(30 282)	
Contributions introduced					(172 751)			(30 282)	
Other Movements		8 363 800		20 188	720 084	635)	2	(163 647 561)	
BALANCE AT 31 MARCH 2021	223 070 867	416 076 327	25 918 934	2 540 788	118 779 982	552 959 778	(661 178)	1 338 935 498	

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2021

	Note	2020/21 R '000	2019/20 R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS		741 383 824	704 840 246
Transfers and Subsidies		81 326 153	85 865 641
Taxation Revenue		2 845 088	3 959 413
Sale of goods and rendering of services		437 273 598	446 205 814
Other Operating Revenue		21 920 563	27 237 135
Service charges		6 079 400	6 490 700
Grants		48 478 542	54 710 929
Interest, Dividends and Rent on land		29 780 548	38 995 635
Fines, penalties and forfeits		303 984	305 089
Other Receipts		113 375 948	41 069 889
PAYMENTS		(669 747 915)	(648 422 332)
Compensation of Employees		(135 489 057)	(136 505 282)
Goods and Services		(285 934 331)	(299 430 438)
Interest and Rent on land		(71 627 646)	(80 035 338)
Taxation Paid		(3 603 302)	(4 089 762)
Other payments		(173 093 578)	(128 361 512)
Net cash flows from operating activities	61	71 635 909	56 417 914
CASH FLOWS FROM INVESTING ACTIVITIES			
		(25 315 749)	(90 411 160)
Purchase of Property, Plant and Equipment		(58 398 819)	(63 931 766)
Purchase of Intangible Assets		(1 390 326)	(1 859 555)
Purchase of Investment Property		(11 597)	10 400
Purchase of Heritage Assets		(48 336)	(95 629)
Purchase of Biological Assets		12	25
Proceeds on Disposal of Property, Plant and Equipment		381 886	661 602
Proceeds on Disposal of Intangible Assets		25 565	(412)
Proceeds on Disposal of Investment Property		18 683	75 985
Proceeds on Disposal of Heritage Assets		(29)	(45)
Proceeds on Disposal of Biological Assets			
Proceeds on Disposal of Living Resources			
Purchase of available-for-sale financial assets		(11 955 953)	(15 730 735)
Proceeds from sale of Investments		28 666 288	25 329 762
Purchase of controlled entity (net of cash acquired)			
Dividend income		2 357 080	3 706 136
Movement in pension fund assets / liabilities		(115 747)	(24 160)
Loans granted to associates / other economic entities		(13 626 079)	(15 891 829)
Loan repayments received from associates / other economic entities		11 216 322	6 725 839
Borrowing costs capitalised		(1 209 722)	7 409 297
Acquisition of investments		18 459 367	(36 796 075)
Net cash flows from investing activities		(25 315 749)	(90 411 160)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2021

	Note	2020/21 R '000	2019/20 R '000
CASH FLOWS FROM FINANCING ACTIVITIES		5 997 089	43 216 783
Proceeds from borrowings		68 921 661	75 318 494
Repayment of borrowings		(122 918 597)	(82 499 788)
Proceeds from issuance of ordinary shares / contributed capital		58 925 633	48 997 532
Proceeds from issuance of redeemable preference shares		3 756 890	3 000 475
Proceeds from service concession arrangements		(21 617)	875
Purchase of treasury shares		(1 061 560)	
Repayment / issuance of financial guarantee contracts		(147 039)	(426 708)
Finance lease payments		(1 560 451)	(77 791)
Distribution / dividends paid		102 170	(1 096 307)
Net cash flows from financing activities		5 997 089	43 216 783
Net increase/(decrease) in cash and cash equivalents		67 317 342	25 110 513
Cash and cash equivalents at the beginning of the year		220 014 545	190 323 211
Effect of exchange rate movement on cash balances		(3 939 486)	4 580 821
Cash and cash equivalents at the end of the year	1	283 392 401	220 014 545

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2021

■ Basis of preparation

The National (Provincial) Public Entity Consolidated Annual Financial Statements are prepared in accordance with the principles of GRAP. In particular, the principles of GRAP 35: Consolidated and Separate Financial Statements have been applied to the development of the accounting policies supporting the consolidation. More information is provided in the accounting policies in this regard. In the absence of an identifiable reporting entity, the scope of the consolidation has been determined with reference to the requirements of the Public Finance Management Act, read with GRAP 35.

The public entities' annual financial statements included in this set of consolidated annual financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999). Entities reporting on accounting frameworks other than GRAP were adjusted accordingly to ensure uniform accounting policies for like transactions in similar circumstances.

The annual financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The different accounting bases for departments and public entities (modified cash versus accrual) necessitates the preparation of two separate consolidations, one for government departments and one for public entities. Government is however in the process of implementing systems that will eventually enable consistent reporting across these two groups, and consequently the preparation of a single consolidation of national (provincial) government accounts based on Standards of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

Determining the basis of preparation

The Accounting Officer is required to prepare financial statements based on Standards of GRAP. For the purposes of Departmental financial statements, the Modified Cash Basis of Accounting is currently considered to be an appropriate form of generally recognised accounting practice, whereas for public entities, constitutional institutions, and certain legislatures, the Standards of GRAP issued by the ASB shall apply. Government Business Enterprises (GBEs) currently prepare the financial statements on either SA GAAP or IFRS.

The Minister of Finance granted exemption in terms of Section 92 of the PFMA for the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated AFS for national departments and public entities. The exemption applies to the financial periods 2020-21 to 2024-25 and allows the National Treasury to not prepare a single set of consolidated financial statements for departments and public entities.

Ultimately, it is the intention of the Accounting Officer to prepare a single central government consolidation for all national departments and public entities combined. However, until all the entities are able to report on a substantially similar basis of accounting, it is considered to be impracticable and without benefit to the users to do so. Consequently, until such time as departments are in a position to prepare financial statements on an accrual basis, two separate consolidations are prepared – one for entities reporting on the Modified Cash Basis, and one for entities reporting on an accrual basis.

Accounting policies of entities are adjusted to be on a uniform basis where the effect thereof is deemed to be material to the consolidated financial statements.

Scope of consolidation

There is no specific identifiable controlling entity as envisaged in GRAP 35. The motivation behind preparing these financial statements is not to show what is directly controlled, but rather to present a combined view of entities considered to be a part of government as envisaged by the PFMA. The decision to include or exclude entities cannot be based solely

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2021

on an analysis of control where this would deviate from the objectives of the consolidation, and hence the users' needs; it must therefore be further based on some other suitable criteria that are in line with the needs of users. In accordance with the definition of a public entity in the PFMA, the Accountant-General has determined that accountability to Parliament for the use of public funds must be the primary driver and considers this to be the primary criterion for including entities in the consolidation, with ownership control by government being assumed to exist in such cases.

Consequently, if an entity has a legal obligation to account to Parliament on its finances, it is deemed to also be under the control of the National Executive, and shall be included in the national public entity consolidation. This approach is expected to prudently ensure a more complete consolidation.

Treatment of Departmental Trading Entities and Other Unlisted Entities, Trusts and Funds

It is the policy of the Accountant-General to treat trading entities on a similar basis to ordinary public entities for the purposes of this consolidation, where such entities operate on a similar basis in the normal course of business and where they prepare separate financial statements based on Standards of GRAP.

Similarly, unlisted public entities, trusts and funds that meet the criteria as set out in the scope of the consolidation shall also be included in the consolidation.

Budget information

As there is no publically available budget that is reconcilable with the group of entities for the purposes of the National Public Entity Consolidation, it is deemed inappropriate to present a comparison between actual and budget information at this level of consolidation.

Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

Going concern assumption

These annual financial statements were prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

Comparative information

Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

Standards, amendments to standards and interpretations issued but not yet effective

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Board, but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The entity has not early-adopted any of these new Standards or amendments thereto, but has referred to them for

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2020

guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5.

When an entity has not applied a new Standard of GRAP that has been issued but is not yet effective, the entity shall disclose: (a) this fact; and (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard will have on the entity's financial statements in the period of initial application.

GRAP 25 Employee Benefits

This Standard requires an entity to recognise a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

This Standard shall be applied by an employer in accounting for all employee benefits, except share based payment transactions (see the International Financial Reporting Standard® on Share-based Payment), and to the initial recognition and initial measurement of assets and liabilities acquired in a transfer of functions between entities under common control (see the Standard of GRAP on Transfer of Functions Between Entities Under Common Control), a transfer of functions between entities not under common control (see the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control) or a merger (see the Standard of GRAP on Mergers).

The standard is approved and the effective date has been determined by the Minister of Finance as 1 April 2021.

GRAP 104 Financial Instruments

This Standard deals with the measurement of financial assets and financial liabilities. Residual interests evidence an interest in the assets of an entity after deducting all of its liabilities.

The Standard requires the presentation of financial assets and financial liabilities on a net basis when doing so reflects an entity's expected future cash flows from settling two or more separate financial instruments. When an entity has the right to receive or

pay a single net amount and intends to do so, it has, in effect, only a single financial asset or financial liability. In other circumstances, financial assets and financial liabilities are presented separately from each other consistently with their characteristics as resources or obligations of the entity. An entity shall disclose the information required in paragraphs 8.16 to 8.19 of this Standard.

The standard has the proposed implementation date from the financial year commencing on 1 April 2024 according to the Government Gazette_1 April 2021.

Significant judgements and estimates

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements.

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies the following estimates, were made:

Other provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2021

weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Pension and medical post-employment benefits

Post-employment benefits offered by the entity take the form of defined benefit plans.

The cost of defined benefit pension plans, other post-employment medical benefits, and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, and expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life.

In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts.

Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

Fair value determination of properties (excluding heritage assets)

In determining the fair value of investment property (and / or property, plant and equipment) the entity applies a valuation methodology to determine the fair value of the properties based on any one of, or a combination of the following factors:

- The market related selling price of the property; or
- The market related rental that can be earned for the property; or
- The market related selling price of similar properties in the area; or
- The rentals currently or previously earned by the property.

Heritage assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The valuation of heritage assets is dependent on the type of the asset and the availability of reliable information. Management makes estimates and assumptions about factors such as the restoration cost, replacement cost and cash flow generating ability in estimating fair value.

Impairments of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset,

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2020

depending on the nature of the impairment and the availability of information.

Financial instruments

Initial recognition

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.

Initial measurement

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

Financial instruments at fair value.

- Derivatives.
- Compound instruments that are designated at fair value i.e. an instrument that includes a derivative and a non-derivative host contract.
- Instruments held for trading.
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.
- An investment in a residual interest for which fair value can be measured reliably.

Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial instruments at amortised cost

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates at fair value at initial recognition or are held for trading.

Financial instruments at cost

Investments in residual interests, which do not have quoted market prices and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

Concessionary loans

The part of the concessionary loan that is a social benefit or non-exchange revenue is determined as the difference between the fair value of the loan and the loan proceeds, either paid or received.

After initial recognition, an entity measures concessionary loans in accordance with the subsequent measurement criteria set out for all financial instruments.

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2021

Derecognition

A financial asset is derecognised at trade date, when: The cash flows from the asset expire, are settled or waived; a) Significant risks and rewards are transferred to another party; or b) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

Impairments

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets held at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or

collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2020

Policies relating to specific financial instruments

Investments at amortised cost

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Investments at fair value

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

Investments at cost

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

Inventories

Initial recognition and measurement

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress (WIP) and finished goods

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2021

(FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

■ Non-current assets held for sale

Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

Derecognition

Non-current assets and disposal groups held for sale are derecognised upon disposal of the item or where no further economic benefits or service potential is expected to flow from the asset or disposal group. Gains / losses that result from the derecognition of non-current assets or disposal groups held for sale are recognised in surplus / deficit in the period of the derecognition.

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■ Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are tangible non-current assets including infrastructure assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used during more than one year.

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are depreciated separately over their useful lives.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent to initial recognition, certain classes of property, plant and equipment are measured using the revaluation model. Application of the revaluation model results in carrying classes of property, plant and equipment at re-valued amounts. Depreciation for these classes of property, plant and equipment is adjusted proportionately for the revaluation increases and decreases upon revaluation of the items of property, plant and equipment. Revaluation increases / decreases are recognised in the revaluation reserve within the Statement of Changes in Net Assets. Where the revaluation model is applied, it is done so consistently for the entire class of assets. The following classes of property, plant and equipment are measured using the revaluation model:

Subsequent expenditure

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable to entity.

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The assets' residual values, useful lives and depreciation methods are assessed at each reporting date and change(s) is/are accounted for as a change in an accounting estimate in accordance with the relevant Standard of GRAP.

The annual depreciation rates are based on the following estimated asset useful lives:

CATEGORY OF ASSET	USEFUL LIFE RANGE IN YEARS
Land & Buildings	
<i>Buildings</i>	15 - 50
<i>Land</i>	<i>Indefinite Life</i>
Infrastructure Assets	
<i>Roads, Sidewalks & Storm water Networks</i>	5 - 100
<i>Beach Developments</i>	30 - 50
<i>Electricity Reticulation & Supply</i>	10 - 80
<i>Sewerage Mains & Purification Works</i>	15 - 80
<i>Waste Disposal Facilities</i>	20 - 100
<i>Water Supply & Reticulation</i>	10 - 50
<i>Dams & Treatment Works</i>	25 - 100
Other Assets	
<i>Bins & Containers</i>	10
<i>Emergency & Medical Equipment</i>	15
<i>Vehicles</i>	5
<i>Plant, machinery & Equipment</i>	30
<i>Furniture & Fittings</i>	10
<i>Office Equipment</i>	10
<i>Landfill Sites</i>	50
<i>Security Systems</i>	5 - 15
<i>Tip Sites</i>	30
<i>Computer Equipment</i>	4 - 8
Community Assets	
<i>Libraries</i>	15 - 50
<i>Fire Stations</i>	15 - 50
<i>Cemeteries</i>	15 - 50
<i>Clinics</i>	15 - 50
<i>Community Centres</i>	15 - 50
<i>Public Conveniences</i>	15 - 50
<i>Swimming Pools</i>	15 - 50
<i>Recreational Facilities</i>	15 - 50
<i>Selling & Letting Schemes</i>	15 - 50

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An

assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Heritage assets

Heritage assets, which have cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations are shown at cost.

They are not depreciated due to the uncertainty regarding their estimated useful lives, as reflected in the table below:

CATEGORY OF HERITAGE ASSET	USEFUL LIFE RANGE IN YEARS
<i>Memorials & Statues</i>	<i>Indefinite Life</i>
<i>Heritage Sites</i>	<i>Indefinite Life</i>
<i>Museums</i>	<i>Indefinite Life</i>
<i>Art Works</i>	<i>Indefinite Life</i>
<i>Collections (Rare books, coins, stamps, etc)</i>	<i>Indefinite Life</i>

Heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the

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recoverable amount or the recoverable service amount of the heritage asset.

Subsequent measurement

Subsequent expenditure relating to Heritage Assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

After recognition as an asset, a class of heritage assets shall be carried at its cost less any accumulated impairment losses.

Intangible assets

Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- The entity intends to complete the intangible asset for use or sale.
- It is technically feasible to complete the intangible asset.
- The entity has the resources to complete the project.
- It is probable that the entity will receive future economic benefits or service potential.

- The entity has the ability to measure reliably the expenditure during development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Statement of Financial Performance in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

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Amortisation and impairment

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

The annual amortisation rates are based on the following estimated average asset lives:

CATEGORY OF INTANGIBLE ASSET	USEFUL LIFE RANGE IN YEARS
<i>Computer Software</i>	3 – 5

Impairments

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Investment property

Initial recognition and measurement

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services or the sale of an asset in the ordinary course of operations.

Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably.

At initial recognition, the entity measures investment property at cost including transaction costs once it meets the definition of investment property.

Where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of day to day servicing of investment property is recognised in the Statement of Financial Performance as incurred.

Subsequent measurement

Cost model

Investment property is measured using the cost model. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment. Land is not depreciated. Investment properties are written down as a result of impairment, where considered necessary.

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Depreciation begins when the asset is available for use. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

CATEGORY OF INVESTMENT PROPERTY	USEFUL LIFE RANGE IN YEARS
<i>Investment Property</i>	15 - 50
<i>Land</i>	<i>Indefinite Life</i>

The investment property's residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year-end.

Fair value model

Investment property is measured using the fair value model. This entails determining the fair value of investment properties on a regular basis. To the extent that the fair value model is applied investment property is not depreciated. Fair value gains / losses that result from the revaluation are recognised in the Statement of Financial Performance.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an Investment Property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

Derecognition

An Investment Property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property. All gains

or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

Biological assets

Recognition

Biological assets that are not managed as part of an agricultural activity are accounted for as property, plant and equipment where they are expected to be used for longer than 12 months (refer to accounting policy for property, plant and equipment).

Biological assets that are managed as part of an agricultural activity, and agricultural produce are recognised when:

- The entity controls the asset; and
- Future economic benefits or service potential from the asset is probable; and

The fair value or cost of the asset can be determined.

Measurement

Biological assets are measured at fair value less estimated point-of-sale costs at initial recognition as well for subsequent reporting periods. Agricultural produce (as harvested from biological assets) are recognised at the point of harvest. Accordingly, agricultural produce is measured at fair value less point-of-sale costs at the point of harvest. When this agricultural produce is transferred to inventory (for the purpose of consumption or resale) the fair value less point-of-sale costs, becomes the cost of the agricultural produce inventory.

Where there is no active market for biological assets and it is not possible to determine the fair value of the biological assets reliably through the use of other valuation techniques, the biological assets are measured at cost less accumulated depreciation and accumulated impairment losses. Should the fair value of the biological asset become available or reliably determinable in subsequent periods, the biological asset will be measured at its fair value less point-of-sale costs.

When measuring the biological asset at fair value less point-of-sale costs at initial recognition, gain may arise on that asset. This gain is recognised in surplus or

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deficit for the period during which the biological asset was initially recognised. Any subsequent changes to the fair value less point-of-sale costs (which arise as a result of re-measurements at subsequent reporting dates) are also recognised in the surplus or deficit for the period.

The gain or loss that arises on the initial recognition of agricultural produce at fair value less point-of-sale costs is also recognised in surplus or deficit in the period that it arises.

Derecognition

Agricultural produce is derecognised at the point of reclassification to inventory. As the fair value less point-of-sale costs becomes the cost of the inventory, no gain or loss is derecognised at the point of reclassification.

Biological assets are derecognised when the entity disposes thereof or when it is no longer probable that future economic benefits or service potential will be generated from the biological asset. Any gain or loss that arises at the point of derecognition is recognised in surplus or deficit at the point of derecognition.

■ Impairment of non-financial assets

Recognition

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash-generating assets), the asset is considered impaired and is written down to its recoverable amount (or recoverable service amount). An asset's recoverable amount (or recoverable service amount) is the higher of the fair value less costs to sell, and the value-in-use of the asset).

Measurement

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. This recoverable amount (or recoverable service amount) is determined for individual assets, unless

those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

An asset is part of a cash generating unit where that asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

In determining the recoverable amount (or recoverable service amount) of an asset the entity evaluates the assets to determine whether the assets are cash generating assets or non-cash generating assets.

For cash generating assets the value in use is determined as a function of the discounted future cash flows from the asset.

Where the asset is a non-cash generating asset the value in use is determined through one of the following approaches:

- Depreciated replacement cost approach – The current replacement cost of the asset is used as the basis for this value. This current replacement cost is depreciated for a period equal to the period that the asset has been in use so that the final depreciated replacement cost is representative of the age of the asset.
- Restoration cost approach - Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment.
- Service units approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state.

The decision as to which approach to use is dependent on the nature of the identified impairment.

In assessing value-in-use for cash-generating assets, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In

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determining fair value less costs to sell, other fair value indicators are used.

Impairment losses of continuing operations are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity makes an estimate of the assets or cash-generating unit's recoverable amount.

Reversal of impairment losses

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Employee benefits

Short term employee benefits

Short term employee benefits encompass all those benefits that become payable in the short term, i.e. within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short term employee benefits are measured at their undiscounted costs in the period the employee

renders the related service or the specific event occurs.

Post-employment benefits

The entity provides post-employment benefits for its officials. These benefits are provided as either defined contribution plans or defined benefit plans. The entity identifies as defined contribution plans any post-employment plan in terms of which it has no obligation to make further contributions to the plan over and above the monthly contributions payable on behalf of employees (for example in the event of a funding shortfall). Any other plans are considered to be defined benefit plans.

Defined contribution plans

Contributions made towards the fund are recognised as an expense in the Statement of Financial Performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid. Conversely an asset is recognised to the extent that any contributions have been paid in advance.

Defined benefit plans

Pursuant to the entity's obligation to fund the post-employment benefits provided through a defined benefit plan, the entity recognises a defined benefit obligation or asset with reference to the fund's financial position. To the extent that the future benefits payable under the fund exceeds the value of assets held to finance those benefits, the entity recognises as defined benefit obligation. To the extent that the value of plan assets exceeds the future benefits payable by the fund the entity recognises as defined benefit asset. Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the entity nor can they be paid directly to the entity.

The defined benefit asset or obligation is recognised as the net difference between the value of the plan assets and plan liabilities and also taking past service cost into consideration (further detail is available in Note 47 Post-employment benefits)

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Plan assets included in the defined benefit plan asset or liabilities recognised are measured at their fair values. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of any defined benefit asset recognised is limited to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The plan liabilities are measured at the present value of the future benefits payable. This present value of the plan liabilities is determined through actuarial valuation techniques.

The entity operates a number of defined benefit pension plans, all of which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan, using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries for each plan. Actuarial gains and losses are recognised in full in the Statement of Financial Performance in the year that they occur.

The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

Leases

The entity as lessee

Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets classified as finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets classified as operating leases, i.e. those leases where substantially all of the risks and rewards of ownership are not transferred to the lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of IGRAP 3.

Measurement

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is effected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This resulting asset and /

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or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

Derecognition

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

The entity as lessor

Recognition

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity recognises the asset subject to the lease at the inception of the lease. Along with the recognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not recognised and no lease receivable is recognised at the inception of the lease. Lease payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; namely, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IGRAP 3.

Measurement

Finance lease receivables are recognised at an amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e. the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

Derecognition

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire or the entity no longer expects economic benefits to flow from the operating lease asset.

Revenue

Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

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Recognition

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

Measurement

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

Expenditure relating to non-exchange transactions

The accounting policy for expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The entity ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

Foreign currency transaction

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded are expensed.

Transactions in foreign currency are accounted for at the spot rate of the exchange ruling on the date of the transaction.

Gains and losses arising on the translation are dealt with in the Statement of Financial Performance in the year in which they occur.

Surplus or deficit

Gains and losses

Gains and losses arising from fair value adjustments on investments and loans, and from the disposal of

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2020

assets, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the annual financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is disclosed as such in the notes to the annual financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Recovery of irregular, fruitless & wasteful expenditure

The recovery of irregular and fruitless and wasteful expenditure is based on legislated procedures, and is recognised when the recovery thereof from the responsible officials is probable. The recovery of irregular and fruitless and wasteful expenditure is treated as other income.

Post-reporting date events

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial

statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Related parties

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Related party transactions that took place during the financial periods covered by the financial statements are disclosed in the financial statements where those transactions were not within:

- normal supplier and/or client/recipient relationships on terms and conditions that are more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- terms and conditions within the normal operating parameters established by the reporting entity's legal mandate;

Further details about those transactions, outstanding balances including commitments are disclosed in the notes to the financial statements.

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2021

Investment in an associate

The entity's investment in its associate is accounted for using the equity method. An associate is an entity in which the entity has significant influence.

Under the equity method, the investment in the associate is carried on the Statement of Financial Position at cost plus post acquisition changes in the entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Statement of Financial Performance reflects the entity's share of the results of operations of the associate. When there has been a change recognised directly in the net assets of the associate, the entity recognises its share of any changes and discloses this, when applicable, in the statement of changes in net assets.

Unrealised gains and losses resulting from transactions between the entity and the associate are eliminated to the extent of the interest in the associate.

The entity's share of the net surplus or deficit of an associate is shown on the face of the Statement of Financial Performance. This is the surplus attributable to holders of the residual interest in the associate and, therefore, is surplus after tax and minority interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the entity. When necessary, adjustments are made to bring the accounting policies in line with those of the entity.

Segment Reporting

Operating segments are identified and aggregated into reportable segments on the basis of the consolidated financial statements. For each of the reportable segments identified, details of the financial performance and financial position will be disclosed as additional disclosures.

For consolidation purposes, the National Treasury will report on these segments based on service segments, which is a distinguishable component of an entity that is engaged in providing related outputs or achieving particular operating objectives consistent with the

overall mission of each entity. These are the 5 clusters that were approved by the South African government.

Statutory Receivables

Initial recognition and measurement

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. The accounting policy followed for the recognition of statutory receivables is the same as the policy followed for receivables that arise from exchange and non-exchange transactions. When the statutory receivable does not arise from an exchange or non-exchange transaction, it is recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Statutory receivables are initially measured at their transaction amount. The transaction amount of a statutory receivable is the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations or similar means.

Subsequent measurement

Subsequent to initial recognition, statutory receivables are measured at cost – i.e. the initial measurement of the receivable is changed to reflect interest or other charges that may have accrued on the receivable, impairment losses and amounts derecognised.

Impairment

The entity tests for impairment where there's an indication that the statutory receivable, or a group of statutory receivables, may be impaired. An assessment of whether there is an indication that a statutory receivable or a group of statutory receivables may be impaired, is done at each reporting date. If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount of the statutory receivable or a group of statutory receivables is higher than the estimated future cash flows, the carrying amount of the statutory receivable or a group

GROUP ACCOUNTING POLICIES

For the year ended 31 March 2020

of statutory receivables is reduced to the estimated future cash flows and the impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed to the extent that the carrying amount of the receivable or a group of receivables does not exceed the carrying amount of the receivable(s) that would have been determined had the impairment loss not been recognised. The reversal of the impairment loss is recognised in the Statement of Financial Performance.

Derecognition

A statutory receivable, or a part thereof is derecognised when the entity's rights to the cash flows from the receivables are settled, expire or waived; significant risks and rewards of ownership of the receivable are transferred to another party; or despite having retained some significant risks and rewards, the entity has transferred control of the receivable to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
1 Cash and Cash Equivalents		
Cash and cash equivalents consist of the following:		
Cash on hand	2 471 979	2 034 192
Cash at bank	112 911 736	84 591 100
Call deposits	106 508 847	101 937 268
Call investments	62 537 611	34 138 945
Less: Bank Overdraft	(1 037 772)	(2 686 959)
Total Cash and cash Equivalents	283 392 401	220 014 545

	Gross Balances R '000	Provision for Doubtful Debts R '000	Net Balance R '000
2 Trade and Other Receivables from Exchange Transactions			
Balance As At 31 March 2021			
Recoveries of staff expenses	48 542	(13 028)	35 515
Other Trade Receivables	98 141 459	(38 334 207)	59 807 252
Employee advances	120 454	(5 160)	115 294
Provincial Government	8 515 869	(4 857 371)	3 658 498
National Government	11 219 082	(5 729 372)	5 489 710
Total Trade & Other Receivables From Exchange Transactions As At 31 March 2021	118 045 406	(48 939 139)	69 106 268
Balance As At 31 March 2020			
Recoveries of Staff Expenses	47 198	(13 616)	33 582
Other Trade Receivables	95 229 563	(39 158 963)	56 070 600
Employee Advances	111 925	(15 096)	96 830
Provincial Government	8 609 266	(4 978 635)	3 630 631
National Government	10 047 507	(5 136 328)	4 911 179
Total Trade & Other Receivables From Exchange Transactions As At 31 March 2020	114 045 459	(49 302 638)	64 742 821

	2020/21 R '000	2020/21 R '000
Ageing of Trade & Other Receivables from Exchange Transactions (Net of Provision For Doubtful Debts)		
Current (0 – 30 days)	54 261 897	49 535 766
31 - 60 Days	3 525 528	3 989 569
61 - 90 Days	5 440 352	4 775 002
91 - 120 Days	3 937 776	3 813 196
121 + Days	1 940 718	2 629 287
Total	69 106 268	64 742 821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Summary of Debtors by Classification	Recoveries of Staff Expenses R '000	Other Trade Receivables R '000	Employee Advances R '000	Provincial Government R '000	National Government R '000
Balance as at 31 March 2021					
Current (0 – 30 days)	19 670	63 537 613	36 989	4 072 366	10 241 325
31 - 60 Days	1 524	3 680 950	3 936	311 097	225 225
61 - 90 Days	1 152	4 943 960	10 293	411 186	94 669
91 - 120 Days	6 904	11 345 875	6 102	3 011	105 050
121 - 365 Days	19 293	14 633 060	63 134	3 718 209	552 813
Total Debtors before Provision For Doubtful Debts	48 542	98 141 458	120 454	8 515 869	11 219 082
Less: Provision for doubtful debts	(13 028)	(38 334 207)	(5 160)	(4 857 371)	(5 729 372)
Total Debtors by Classification as at 31 March 2021	35 514	59 807 251	115 294	3 658 498	5 489 710

Summary of Debtors by Classification	Recoveries of Staff Expenses R '000	Other Trade Receivables R '000	Employee Advances R '000	Provincial Government R '000	National Government R '000
Balance as at 31 March 2020					
Current (0 – 30 days)	17 561	58 518 114	38 744	2 171 187	9 019 605
31 - 60 Days	879	4 415 543	2 558	809 563	148 161
61 - 90 Days	1 407	4 641 555	11 469	352 081	138 933
91 - 120 Days	6 610	12 654 298	3 838	267 860	143 563
121 - 365 Days	20 740	15 000 054	55 317	5 008 575	597 244
Total Debtors before Provision For Doubtful Debts	47 198	95 229 564	111 926	8 609 266	10 047 506
Less: Provision for doubtful debts	(13 616)	(39 158 963)	(15 096)	(4 978 635)	(5 136 328)
Total Debtors by Classification as at 31 March 2020	33 581	56 070 600	96 830	3 630 631	4 911 178

	2020/21 R '000	2020/21 R '000
2.1 Reconciliation of the doubtful debt provision		
Balance at beginning of the year	(49 302 639)	(45 393 316)
Contributions to provision	(4 130 636)	(7 043 079)
Doubtful debts written off against provision	3 070 359	1 952 765
Reversal of provision	664 266	641 004
Amounts used	972 095	1 432 612
Increase/ (Decrease) due to change in estimate	942 197	(206 136)
Change due to correction of errors	(6 448)	(126 527)
Balance at end of year	(48 939 139)	(49 302 639)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
3 Other Receivables from Non-Exchange Transactions		
Subsidies	17 942	157 315
Other receivables	8 126 679	7 409 755
Provincial Government	100 755	101 563
National Government	208 414	241 834
Prepayments (if not material)	1 928 992	1 244 585
Total Other Receivables	10 382 781	9 155 053
4 Other Current Financial Assets		
Other current financial assets	891 446 277	1 165 366 310
5 Current Portion of Non-Current Receivables		
Current Portion of Non-Current Receivables	17 758 225	14 056 454
6 Inventories		
6.1 Carrying value of inventory	50 489 678	45 125 216
Consumable stores	2 374 291	1 446 918
Raw Materials	26 680 211	23 005 967
Work in Progress	1 137 897	1 000 889
Finished Goods	3 241 330	3 501 122
Maintenance materials	16 541 267	15 532 121
Spare parts	22 146	22 689
Other goods held for resale	492 535	615 509
Inventory carried at Net Realisable Value		
The following classes of inventory are carried at net realisable value:		
Consumable stores	2 953 047	2 047 983
Raw Materials	26 443 966	22 735 319
Work in Progress	1 234 304	1 125 258
Finished Goods	2 705 041	3 135 754
Maintenance materials	16 006 024	14 922 732
Spare parts	10 266	7 461
Other goods held for resale	497 097	608 611
Water	61 917	74 350
Write-downs of inventory to Net Realisable Value	(56 741)	(204 319)
Total	49 854 921	44 453 150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000	
6.2 Inventory carried at current replacement cost			
The following classes of inventory are carried at current replacement cost:			
Consumable stores	14 285	14 260	
Raw Materials	100 237	61 244	
Work in Progress	10 087	8 894	
Finished Goods	1 281	1 184	
Maintenance materials	490 257	568 083	
Spare parts	18 610	18 401	
Total	634 757	672 066	
7 Prepayments			
Prepaid expenses	14 773 299	19 977 714	
8 Current Investments			
Deposits	30 581 405	31 555 140	
Equity investments	12 408 424	11 815 616	
	42 989 829	43 370 756	
9 Construction Contract Receivables			
Contracts in progress at reporting date:			
Construction contract receivables	108 490	221 474	
10 Current Assets Held for Sale			
Current Assets Classified as held for Sale	341 044	8 514 133	
11 Finance Lease Receivable			
2020/21	Minimum Lease Receivable R '000	Future Finance Charges R '000	Present Value of Minimum Lease Receipts R '000
Amounts receivable under finance leases			
Within after one year	234 011	(58 629)	175 382
Within two to five years	468 923	(130 281)	338 641
Later than five years	181 414	(22 192)	159 222
	884 347	(211 102)	673 245
Less: Amount due for settlement within 12 months (current portion)	(178 029)	39 691	(138 337)
	706 319	(171 411)	534 907
2019/20	Minimum Lease Receivable R '000	Future Finance Charges R '000	Present Value of Minimum Lease Receipts R '000
Amounts receivable under finance leases			
Within after one year	193 406	(61 364)	132 042
Within two to five years	513 128	(154 173)	358 955
Later than five years	244 182	(44 587)	199 595
	950 716	(260 125)	690 591
Less: Amount due for settlement within 12 months (current portion)	(175 643)	44 362	(131 282)
	775 073	(215 763)	559 310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
12 Statutory Receivables		
Current statutory receivables		
Opening balance	13 505 934	3 594 622
Current year receivables	11 680 556	10 523 504
Accrued interest, fines, penalties or other changes	43 126	28 996
Accumulated impairment losses	(43 498)	(29 143)
Amounts derecognised / Settled amounts	(9 457 779)	(612 045)
Closing balance at year end	<u>15 728 339</u>	<u>13 505 934</u>
13 Non-Current Receivables from Exchange Transactions		
Staff loans		
Other non-current receivables	23 813 303	19 608 824
Total Non-Current Receivables after transfers to current receivables	<u>23 813 303</u>	<u>19 608 824</u>
14 Non-Current Investments		
Financial Instruments		
Fixed Deposits	763 260	527 682
Listed Investments	104 403 544	73 525 379
Other Investments	76 312 280	116 164 315
Loans Granted	142 415 892	158 074 352
Debt Securities	39 721 690	11 023 830
	<u>363 616 666</u>	<u>359 315 559</u>
15 Other Non-Current Financial Assets		
Other Non-Current Financial Assets	<u>51 281 322</u>	<u>65 265 893</u>
16 Investments in Joint Venture		
Share of the joint venture's statement of financial position:		
Current Assets	339 428	88 755
Non current assets	484 524	668 145
Current liabilities	(37 123)	(47 593)
Non current liabilities	(74 923)	(5 165)
Equity	<u>711 906</u>	<u>704 142</u>
Share of the joint venture's revenue and profit:		
Revenue	32 623	34 687
Cost of sales		
Other Expenses		
Other Income	(34 376)	(35 282)
Finance Income	80 112	66 060
Profit before tax		114
Income tax expense		
Profit for the year from continuing operations	<u>78 359</u>	<u>65 579</u>
Profit from discontinued operations		
Net Profit for the year	<u>78 359</u>	<u>65 579</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
17 Investments in Associates		
Share of the associate's statement of financial position:		
Current Assets	5 268 059	5 868 644
Non current assets	50 870 255	47 866 020
Current liabilities	893 376	771 488
Non current liabilities	(1 294 777)	(1 043 882)
Equity	55 736 913	53 462 269
Share of the associate's revenue and profit:		
Revenue	2 756 557	1 618 300
Cost of sales	(8 232)	(7 369)
Administrative expenses	(74 078)	(61 113)
Other Expenses	(332 798)	40 194
Other Income	370 223	534 630
Finance Income	354	685
Finance cost	(92 177)	(109 238)
Profit before tax	2 619 849	2 016 090
Income tax expense	(3 466)	(1 182)
Profit for the year form continuing operations	2 616 383	2 014 908
Profit from discontinued operations	(2 286)	(2 207)
Net Profit for the year	2 614 097	2 012 701
18 Deferred taxation		
Deferred taxation liabilities/(assets)	41 948 892	48 359 803
- Opening balance	49 590 716	63 903 409
- Recognised in taxation	(5 808 623)	(9 199 801)
- Raised through Equity	(1 037 405)	(5 550 805)
- Raised through Other	(795 795)	(793 000)
Analysis of temporary differences:		
Deferred taxation assets	29 065 971	18 681 131
- Provisions	16 267 314	1 614 870
- Employee benefit obligations	6 430 138	1 289 206
- Revenue received in advance and deferred income	5 171 481	1 530 549
- Capitalised lease liability	817 536	783 162
- Doubtful debts	13 132 676	764 853
- Other	(12 753 175)	12 698 492
Deferred taxation liabilities	71 014 863	67 040 935
- Deferred expenditure	196 658	185 036
- Property, Plant and Equipment	63 257 385	145 490 421
- Future expenditure allowance	194 584	244 036
- Other	7 366 237	(78 878 559)
Net deferred taxation liability/(asset)	41 948 893	48 359 804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
19 Trade and Other Payables from Exchange Transactions		
Trade payables	59 369 295	64 556 141
Payments received in advance	17 709 022	13 464 448
Retentions	3 301 500	3 769 939
Staff leave accrual	5 159 108	4 299 282
Accrued interest	3 617 172	4 601 674
Other payables	33 752 705	35 257 755
Total payables	122 908 801	125 949 240
20 VAT Payable		
VAT payable	4 610 645	4 559 218
21 Taxes and Transfers Payable		
Taxes and transfers payable (Non-Exchange)	4 699 550	4 190 494
Income Tax Payable	410 930	248 088
Total Taxes and transfers payable	5 110 480	4 438 583
22 Other Current Financial Liabilities		
Notes and Coins in Circulation	168 338 965	155 544 239
Debentures	15 010 035	-
Forward Exchange Contract Liabilities	12 192 164	240 351
Gold and Foreign Exchange financial liabilities	315 584 260	436 062 044
Deposit Accounts	304 532 885	347 021 722
Foreign loans and deposits	93 284 583	148 198 491
Other Current Financial liabilities	165 233 238	(136 938 465)
Total Other Current Financial Liabilities	1 074 176 131	950 128 381

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

23 Current Provisions

23.1 Reconciliation of Movement in Current Provisions – 2020/21

	Performance Bonus	Provision for Leave Pay	Other Provisions	Current Portion of Other Non-Current Provisions	TOTAL
	R '000	R '000	R '000	R '000	R '000
Opening Balance	2 167 681	3 921 402	15 574 099	78 513 441	100 176 623
Provisions Raised	1 915 307	2 731 284	7 858 732	(45 161 999)	(32 656 675)
Unused Amounts Reversed	(180 898)	(225 942)	(999 742)	(257)	(1 406 838)
Unwinding of Time Value of Money		372	799		1 171
Amounts Used	(1 386 768)	(1 670 526)	(5 066 288)	(321 892)	(8 445 474)
Exchange differences	(5 819)		(43)	(8 825)	(14 687)
Transferred to disposal group/classified as held for sale					-
Settlement of Provision without cost to entity					-
Transfer from Non-Current Provision			83	240 978	241 061
Change in Provision due to change in Estimation inputs	37 170	4 661	74 959		116 790
Other Movements	(76 627)	62 378	(1 249 811)	1 328	(1 262 733)
Closing Balance	2 470 047	4 823 629	16 192 788	33 262 774	56 749 237

23.2 Reconciliation of Movement in Current Provisions – 2019/20

	Performance Bonus	Provision for Leave Pay	Other Provisions	Current Portion of Other Non-Current Provisions	TOTAL
	R '000	R '000	R '000	R '000	R '000
Opening Balance	3 237 478	3 748 025	14 373 931	78 156 440	99 515 874
Provisions Raised	1 990 063	2 114 094	2 704 443	105 540	6 914 139
Unused Amounts Reversed	(191 436)	(67 600)	(398 409)	(14 178)	(671 623)
Unwinding of Time Value of Money		2 596	4 819 393	3 034 377	7 856 366
Amounts Used	(2 842 042)	(1 908 721)	(4 816 218)	(2 875 170)	(12 442 151)
Exchange differences					-
Transferred to disposal group/classified as held for sale					-
Settlement of Provision without cost to entity				(5)	(5)
Transfer from Non-Current Provision			1 746	50 436	52 182
Change in Provision due to change in Estimation inputs	74 545	1 090	17 568	60 262	153 465
Other Movements	(100 926)	31 918	(1 128 356)	(4 261)	(1 201 625)
Closing Balance	2 167 681	3 921 402	15 574 099	78 513 441	100 176 623

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000	
24 Unspent Conditional Grants and Receipts			
Non-current unspent conditional grants and receipts	52 193 216	53 643 377	
Current portion of unspent conditional grants and receipts	23 095 887	20 666 726	
25 Long-Term Borrowings			
Long-term interest bearing loans	480 761 261	564 649 493	
Government Loans: Other	14 913	1 487 613	
Other borrowings	232 652 271	250 211 739	
Less: current portion transferred to current liabilities	(118 326 601)	(97 588 623)	
	615 839 822	715 486 913	
26 Short-Term Borrowings			
Short-Term Borrowings	11 063 534	11 923 474	
27 Finance Lease Liability			
2020/21	Minimum Lease Payment	Future Finance Charges	Present Value of Minimum Lease Payments
Amounts payable under finance leases	R '000	R '000	R '000
Within one year	3 232 089	(1 924 262)	1 307 827
Within two to five years	11 115 982	(4 460 114)	6 655 868
Later than five years	10 416 545	(2 395 684)	8 020 861
	24 764 617	(8 780 060)	15 984 557
Less: Amount due for settlement within 12 months (current portion)	(3 286 399)	1 324 995	(1 961 404)
	21 478 218	(7 455 065)	14 023 153
2019/20	Minimum Lease Payment	Future Finance Charges	Present Value of Minimum Lease Payments
Amounts payable under finance leases	R '000	R '000	R '000
Within one year	3 567 468	(1 739 541)	1 827 926
Within two to five years	11 765 013	(4 921 774)	6 843 239
Later than five years	11 250 303	(3 366 882)	7 883 421
	26 582 784	(10 028 197)	16 554 586
Less: Amount due for settlement within 12 months (current portion)	(3 538 087)	1 395 460	(2 142 626)
	23 044 697	(8 632 737)	14 411 960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

28 Non-Current Provisions

Reconciliation of Movement in Non-Current Provisions – 2020/21

	Provision for long- service awards R '000	Other Non- Current Provisions R '000	TOTAL R '000
Opening Balance	140 242	103 800 398	103 940 640
Provisions Raised	18 788	28 640 795	28 659 583
Unused Amounts Reversed	(6 064)	(13 224 466)	(13 230 530)
Unwinding of Time Value of Money		4 590 844	4 590 844
Amounts Used	(17 900)	(7 916 222)	(7 934 122)
Exchange differences		(520 625)	(520 625)
Settlement of Provision without cost to entity	(494)		(494)
Transfer to Current Provision		6 299	6 299
Change in Provision due to change in Estimation inputs			5 693 752
Other Movements	12 110	(310 532)	(298 422)
Closing Balance	146 682	120 760 242	120 906 924

Reconciliation of Movement in Non-Current Provisions – 2019/20

	Provision for long- service awards R '000	Other Non- Current Provisions R '000	TOTAL R '000
Opening Balance	132 159	108 004 927	108 137 086
Provisions Raised	26 516	7 109 781	7 136 297
Unused Amounts Reversed	(2 383)	(5 000 617)	(5 003 000)
Unwinding of Time Value of Money		4 362 292	4 362 292
Amounts Used	(27 429)	(4 481 170)	(4 508 600)
Exchange differences		709 462	709 462
Transfer to Current Provision		(109 955)	(109 955)
Change in Provision due to change in Estimation inputs		(6 604 206)	(6 604 206)
Other Movements	11 379	(190 116)	(178 737)
Closing Balance	140 242	103 800 398	103 940 640

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
29 Other Non-Current Financial Liabilities		
Other non-current financial liabilities	<u>27 580 725</u>	<u>28 661 983</u>
30 Defined Benefit Plan		
Defined Benefit Plans		
Statement of Financial Position		
Present value of Defined benefit obligation	25 897 197	23 041 762
Fair value of plan assets	<u>(4 202 944)</u>	<u>(2 817 856)</u>
Total Defined benefit plan Liability/(Asset)	<u>21 694 253</u>	<u>20 223 904</u>
Pension benefits		
Present value of unfunded obligations	727 325	(8 910 021)
Present value of funded obligations	<u>119 825 560</u>	<u>110 538 618</u>
Total present value of obligations	120 552 885	101 628 597
Fair value of plan assets	(122 595 281)	(101 376 753)
Unrecognised past service costs	<u>3 052 179</u>	<u>1 897 711</u>
Defined pension benefit obligation/(asset) disclosed in Statement of Financial Position	<u>1 009 783</u>	<u>2 149 555</u>
Medical benefits		
Present value of unfunded obligations	18 779 538	16 335 076
Present value of funded obligations	<u>2 505 286</u>	<u>2 306 028</u>
Total present value of obligations	21 284 824	18 641 104
Fair value of plan assets	(599 569)	(565 867)
Unrecognised past service costs	<u>(785)</u>	<u>(888)</u>
Defined medical benefit obligation/(asset) disclosed in Statement of Financial Position	<u>20 684 470</u>	<u>18 074 349</u>

30.1 Changes in the present value of the defined benefit obligation are as follows:

	Pension Plan(s) R '000	Medical Plan(s) R '000
Defined benefit obligation as at 1 April 2020	101 628 597	18 641 104
Current service costs	2 003 627	387 721
Interest costs	13 316 244	2 648 052
Contributions by plan participants	1 452 983	(118 444)
Actuarial losses/(gains)	10 605 687	348 722
Exchange differences	(545)	
Benefits paid	(7 503 156)	(1 004 630)
Past Service Cost	13 130	(32 099)
Settlements		(1 712)
Other	(963 682)	416 110
Defined benefit obligation plan as at 31 March 2021	<u>120 552 885</u>	<u>21 284 824</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
	Pension Plan(s) R '000	Medical Plan(s) R '000
Defined benefit obligation as at 1 April 2019	115 692 521	19 340 048
Current service costs	3 582 532	510 196
Interest costs	12 809 310	2 353 531
Contributions by plan participants	1 455 244	(30 487)
Actuarial losses/(gains)	(24 368 367)	(5 389 821)
Exchange differences	(52)	(74 550)
Benefits paid	(7 689 484)	(975 087)
Past Service Cost	39 383	(12 487)
Settlements		(2 564)
Other	107 511	2 922 324
Defined benefit obligation plan as at 31 March 2020	101 628 597	18 641 104

30.2 Changes in the fair value of plan assets are as follows:

	Pension Plan(s) R '000	Medical Plan(s) R '000
Fair Value of Plan Assets as at 1 April 2020	(99 479 042)	(566 755)
Expected return on plan assets	(13 199 361)	(58 435)
Actuarial losses/(gains)	(11 103 177)	29 685
Employer contributions	(2 469 383)	18 074
Employee contributions	(1 370 443)	(27 780)
Benefits paid	6 548 219	3 193
Entity combinations		25 543
Other	1 530 085	(23 879)
Fair Value of Plan Assets as at 31 March 2021	(119 543 102)	(600 354)

	Pension Plan(s) R '000	Medical Plan(s) R '000
Fair Value of Plan Assets as at 1 April 2019	(111 853 774)	(563 545)
Expected return on plan assets	(12 126 668)	(58 232)
Actuarial losses/(gains)	22 480 203	54 780
Exchange differences	245 514	
Employer contributions	(2 343 185)	(38 373)
Employee contributions	(2 187 092)	
Benefits paid	3 310 759	64 270
Entity combinations	2 231 828	
Other	763 372	(25 655)
Fair Value of Plan Assets as at 31 March 2020	(99 479 042)	(566 755)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31 Property, Plant and Equipment

Reconciliation of Carrying Value

	2020/21			2019/20		
	Cost R '000	Accumulated Depreciation & Impairment R '000	Carrying Value R '000	Cost R '000	Accumulated Depreciation & Impairment R '000	Carrying Value R '000
Land	99 144 119	-1 743 891	97 400 229	97 405 155	-1 484 736	95 920 420
Buildings	-	-	-	-	-	-
Capital Work in Progress (Buildings)	-	-	-	-	-	-
Vehicles	194 525 440	-50 139 216	144 386 224	190 902 492	-43 999 414	146 903 078
Infrastructure	8 117 583	-1 372	8 116 211	7 727 941	-1 156	7 726 785
Capital Work in Progress (Infrastructure)	14 156 357	-9 239 113	4 917 244	13 941 767	-8 777 031	5 164 736
Finance Lease Assets	972 023 752	-329 028 277	642 995 475	943 936 884	-310 126 056	633 810 828
Furniture & Fittings	73 114 834	-4 298 242	68 816 591	59 183 629	-1 560 580	57 623 049
Plant, Machinery & Equipment	16 866 133	-6 332 020	10 534 113	16 077 839	-5 394 989	10 682 849
Capital Work in Progress (Plant, Mach & Equip)	6 228 163	-4 707 937	1 520 226	6 164 506	-4 535 053	1 629 452
Office Equipment	773 318 368	-260 399 404	512 918 964	696 377 003	-236 865 560	459 511 444
Computer Equipment	170 766 928	1	170 766 929	214 144 751	-914 734	213 230 017
Aircraft	8 162 674	-4 918 473	3 244 201	8 024 025	-4 677 441	3 346 584
Capital Work in Progress (Aircraft)	15 004 082	-9 672 181	5 331 900	13 487 820	-9 287 399	4 200 421
Ships	779 795	179 191	958 985	765 434	-354 866	410 568
Capital Work in Progress (Ships)	21 896	21 896				
Other Assets	150 370 065	-58 890 726	91 479 339	150 716 286	-57 184 247	93 532 039
Capital Work in Progress (Other Assets)	11 709 754	-20 898	11 688 856	13 532 000	-15 966	13 516 033
Total	2 520 239 879	-741 283 311	1 778 956 569	2 438 305 991	-687 027 177	1 751 278 814

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

31.1 Reconciliation of Property, Plant and Equipment – 2020/21									
	Carrying Value Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment (Loss) / Reversal of impairment loss	Revaluation Discontinued Operations	Carrying Value Closing Balance	
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	95 920 420	326 193	-37 734	517 559	-3 455	-7 976	685 221	97 400 228	
Capital Work in Progress (Land) Service Concession Asset	-	-	-	-	-	-	-	-	
Buildings	146 903 074	3 140 993	-69 255	421 972	-5 698 716	-386 499	61 838	144 386 220	
Capital Work in Progress (Buildings)	7 726 783	953 768	-2 246	-368 655	-170 852	-22 588		8 116 210	
Vehicles	5 164 735	404 859	-60 392	21 560	-607 691	-5 897	193	4 917 250	
Infrastructure	633 810 827	3 119 399	-764 801	13 978 010	-18 297 423	-2 751 904	13 901 126	642 995 476	
Capital Work in Progress									
(Infrastructure)	57 623 048	20 036 458	-1 060 470	-6 652 287	-19 106	-1 111 052		68 816 592	
Finance Lease Assets	10 682 849	595 884	-218 075	915 040	-1 735 430	-10 000	303 846	10 534 114	
Furniture & Fittings	1 629 447	181 197	-10 624	7 027	-289 172	1 866	483	1 520 232	
Plant, Machinery & Equipment	459 511 446	8 823 051	-89 136	75 838 433	-31 373 050	116 850	93 647	512 918 961	
Capital Work in Progress (Plant, Mach & Equip)	213 230 015	35 429 952	-1 901 802	-76 001 111	1 245	-1 245	9 874	170 766 927	
Office Equipment	3 346 576	224 453	-13 766	36 196	-336 520	-17 272	4 521	3 244 202	
Computer Equipment	4 200 417	2 035 118	-28 691	280 817	-1 151 714	4 844	-1 180	5 331 891	
Aircraft	410 569	1 303		628 706	-81 647	55		958 986	
Capital Work in Progress (Aircraft)	131 149	13 376						144 525	
Ships	3 939 363	262	-15	711	-221 167	-4 495		3 714 659	
Capital Work in Progress (Ships)	-	21 896						21 896	
Other Assets	93 532 041	767 696	-206 613	-2 185 489	-461 722	319 255	-341 538	91 479 338	
Capital Work in Progress (Other Assets)	13 516 056	3 864 262	-6 287	-5 678 837	-5 191	-1 126		11 688 862	
Total	1 751 278 814	79 940 119	-4 469 908	1 759 654	-60 451 610	-3 854 596	14 685 569	1 778 956 569	68 543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31.2 Reconciliation of Property, Plant and Equipment – 2019/20

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Discontinued Operations	Prior Year Errors	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Land	96 385 595	742 846	(243 906)	93 974	(393 525)	(91 349)	(573 025)	(169)	(20)	95 920 420
Capital Work in Progress (Land) Service Concession Asset	-	-	-	-	-	-	-	-	-	-
Buildings	148 592 358	4 132 446	(48 740)	934 261	(5 874 347)	(364 960)	(65 095)	(119 837)	(283 012)	146 903 074
Capital Work in Progress (Buildings)	7 211 375	1 178 849	(463)	(672 294)	18 793	-	-	(9 199)	(279)	7 726 783
Vehicles	5 375 207	1 012 566	(60 937)	57 810	(1 232 629)	22 504	(7 467)	(2 319)	-	5 164 735
Infrastructure	628 637 109	5 081 517	(540 354)	14 625 095	(12 666 466)	(2 378 935)	6 800 871	82 424	(5 830 435)	633 810 827
Capital Work in Progress	51 379 733	15 446 540	(1 239 724)	(11 778 482)	-	(1 354 325)	-	-	5 169 307	57 623 048
(Infrastructure) Finance Lease	10 299 090	1 605 173	(1 177)	(5 669)	(1 214 567)	(2)	2	-	-	10 682 849
Assets	1 784 574	335 872	(11 603)	(30 245)	(455 102)	(2 880)	6 507	16	2 308	1 629 447
Furniture & Fittings	423 123 877	3 879 221	(1 615 183)	66 447 538	(32 007 238)	(283 431)	(30 768)	(3 310)	739	459 511 446
Plant, Machinery & Equipment	247 790 840	36 479 054	(3 923 561)	(66 226 218)	(1)	(867 087)	(23 012)	-	-	213 230 015
Capital Work in Progress (Plant, Mach & Equip)	3 475 348	281 999	(27 878)	63 796	(443 778)	(384)	(4 159)	7	1 625	3 346 576
Office Equipment	4 351 140	1 014 337	(96 673)	403 326	(1 373 158)	(15 009)	(5 735)	(996)	(76 814)	4 200 417
Computer Equipment	242 830	142 774	(19 392)	112 600	(61 995)	(6 248)	-	-	-	410 569
Aircraft	41 711	89 438	-	-	-	-	-	-	-	131 149
Capital Work in Progress (Aircraft)	4 096 830	105 216	1	(39 000)	(223 683)	-	-	-	-	3 939 363
Ships	8 497	(8 497)	-	-	-	-	-	-	-	-
Capital Work in Progress (Ships)	88 515 940	7 834 715	(226 287)	5 564 134	(6 471 840)	(3 944 392)	2 287 346	(3)	(27 572)	93 532 041
Other Assets	18 638 237	5 256 077	(454)	(10 366 888)	(5 945)	(5 021)	50	-	-	13 516 056
Capital Work in Progress (Other Assets)	-	-	-	-	-	-	-	-	-	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Depreciation	R '000	Impairment Reversal of impairment loss	R '000	Revaluation	R '000	Dis-continued Operations	R '000	Prior Year Errors	R '000	Carrying Value Closing Balance	R '000
Total	739 950 290	84 610 142	(8 056 332)	(816 262)	(62 405 481)	(9 291 519)	8 408 527	(76 398) 044 153	1 751 278 814											

31.3 Property Plant and Equipment – additional disclosure

	2020/21	2019/20
	R '000	R '000
Existence and amounts of restrictions on title and disposal of Property Plant and Equipment (PPE)	1 924	3 479
PPE pledged as security	8 984 721	21 046 685
Contractual commitments for the acquisition of PPE	4	382
Compensation from third parties for PPE impaired, lost or given up which are included in surplus or deficit	1 924	3 479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

31.4 Disclosure on assets in the process of being constructed or developed	2020/21 R '000	2019/20 R '000
Cumulative expenditure recognised in the carrying value of PPE per class of asset	259 555 008	292 227 033
The carrying value of PPE that is taking a significantly longer period of time to complete than expected	3 596 844	2 632 872
The carrying value of PPE where construction or development has been halted either during the current or previous reporting period(s).	15 250	3 065
	14 498 535	12 045 134

31.5 Expenditure incurred to repair and maintain property plant and equipment

Property plant and equipment

32 Heritage Assets

Reconciliation of Carrying Value

	2020/21		2019/20	
	Cost R '000	Accumulated Impairment R '000	Cost R '000	Accumulated Impairment R '000
Art Collections	2 328 827	(3)	2 181 556	(3)
Stamp Collections	41 062	-	41 063	-
Collections of rare books or manuscripts	119 717	(14)	119 540	(14)
Historical Buildings	6 033 583	(25 732)	5 986 088	(25 732)
Other Assets	2 498 717	(5)	2 457 870	(5)
Total	11 021 906	(25 754)	10 786 117	(25 754)
		10 996 152		10 760 363

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

32.1 Reconciliation of Heritage Assets – 2020/21

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Impairment (Loss) / Reversal of impairment loss	R '000	Revaluation	R '000	Other	R '000	Dis-continued Operations	R '000	Carrying Value Closing Balance	R '000
Art Collections	2 181 553		1 460						144 474		1 344				(7)		2 328 824	
Stamp Collections	41 063							(1)									41 062	
Collections of rare books or manuscripts	119 527		61					(267)			383						119 704	
Historical Buildings	5 960 354		33 860			(800)		14 435							1		6 007 850	
Other Assets	2 457 866		40 178		(141)	(15)		812	(3)		15						2 498 712	
Total	10 760 364		75 559		(141)	(815)		159 454	(4)		1 742				(6)		10 996 152	

32.2 Reconciliation of Heritage Assets – 2019/20

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Impairment (Loss) / Reversal of impairment loss	R '000	Revaluation	R '000	Other	R '000	Dis-continued Operations	R '000	Carrying Value Closing Balance	R '000
Art Collections	2 174 458		4 179				2		2 427		487						2 181 553	
Stamp Collections	41 063		1					(1)									41 063	
Collections of rare books or manuscripts	117 571		1 091					(14)			875		4				119 527	
Historical Buildings	5 879 357		80 998					(837)			223		35		(1)		5 960 354	
Other Assets	2 454 326		4 301			(182)		(837)									2 457 866	
Total	10 666 775		90 570		-	(180)		(852)			3 525		526		(1)		10 760 364	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

32.3 Heritage assets – additional disclosure		2020/21	2019/20
		R '000	R '000
Existence and amounts of restrictions on title and disposal of Heritage assets		-	-
Heritage assets pledged as security		-	-
Contractual commitments for the acquisition of Heritage assets		-	-
Compensation from third parties for Heritage assets impaired, lost or given up which are included in surplus or deficit		-	-

32.4 Disclosure on assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of heritage assets per class of asset

The carrying value of heritage assets that is taking a significantly longer period of time to complete than expected

The carrying value of heritage assets where construction or development has been halted either during the current or previous reporting period(s).

483 744
455 706

773 023
2 810

33

Intangible Assets

Reconciliation of Carrying Value

	2020/21		2019/20	
	Cost R '000	Accumulated Amortisation & Impairment R '000	Cost R '000	Accumulated Amortisation & Impairment R '000
Computer Software	13 981 918	(9 927 683)	17 254 891	(13 227 135)
Copy rights	87 754	(81 269)	87 754	(69 345)
Internally Generated Software	1 175 998	(566 219)	1 284 120	(496 231)
Licenses	4 122 719	(3 134 255)	3 998 081	(2 947 817)
Service Concession Asset	575 150	(278 117)	465 159	(194 023)
Servitudes	3 623 059	(241 616)	3 574 403	(244 647)
Patents and models	61 350	(57 661)	61 350	(57 051)
Trademarks	275	(258)	275	(242)
Other	27 642 625	(7 453 525)	27 655 099	(7 367 428)
Total	51 270 848	(21 740 604)	54 381 132	(24 603 919)
				29 777 213

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33.1 Reconciliation of Intangible Assets – 2020/21

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment Reversal of impairment loss	Revaluation	Internally Developed	Discontinued Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Computer Software	4 027 752	639 036	(105 868)	263 386	(957 602)	1 390	186 136		1	4 054 232
Copy rights and Trademarks	18 409				(11 306)	(618)				6 484
Internally Generated Software	787 887	48 068	(4 241)	(32 028)	(81 466)	(108 444)				609 777
Licenses	1 050 266	164 759		79 414	(305 853)	(119)				988 467
Service	271 136	110 031			(84 134)					297 033
Concession Assets										
Servitudes	3 329 757	46 886	(3 155)	7 330	626					3 381 444
Patents and models	4 300				(611)					3 689
Research assets	33				(16)					18
Other	20 287 674	1 434 716	(196 282)	(238 318)	(1 025 444)	(34 189)	(39 055)		20	20 189 102
Total	29 777 213	2 443 496	(309 545)	79 784	(2 465 806)	(141 980)	147 081	-	1	29 530 244

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33.2 Reconciliation of Intangible Assets – 2019/20

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment Reversal of impairment loss	Revaluation	Internally Developed	Dis-continued Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Computer Software	4 696 789	854 637	(79 902)	(59 944)	(1 378 952)	(79 170)	54 254	20 047	(8)	4 027 752
Copy rights Internally Generated Software	30 246	222 339	(327)	197 959	(11 371)	(466)		(154 418)		18 409
Licenses Service Concession Assets	568 220				(45 886)					787 887
Servitudes Patents and models Trademarks Other	1 003 678	237 302		340 142	(530 648)	(208)				1 050 266
	217 443	106 194			(52 501)					271 136
	3 169 773	145 775	(129)	18 035	(3 697)					3 329 757
	4 910	(97)			(514)					4 300
	64				(31)					33
	19 657 993	2 063 118	(90)	(234 523)	(1 281 526)	34 395	48 305		20 287 674	
Total	29 349 116	3 629 365	(80 545)	261 670	(3 305 126)	(45 449)	102 559	(134 371)	(8)	29 777 213

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

33.3 Intangible assets – additional disclosure		2020/21	2019/20
		R '000	R '000
Existence and amounts of restrictions on title and disposal of Intangible assets		-	-
Intangible assets pledged as security		-	-
Contractual commitments for the acquisition of Intangible assets		2 173 634	1 796 292
Compensation from third parties for Intangible assets impaired, lost or given up which are included in surplus or deficit		-	-

33.4 Disclosure on assets in the process of being constructed or developed		2020/21	2019/20
		R '000	R '000
Cumulative expenditure recognised in the carrying value of intangible assets per class of asset		77 400	111 198
The carrying value of intangible assets that is taking a significantly longer period of time to complete than expected, including reasons for any delays.		30 131	39 646
The carrying value of intangible assets where construction or development has been halted either during the current or previous reporting period(s).		-	-

34 Investment Property Carried at Cost		2020/21		2019/20	
Reconciliation of carrying value		Cost	Accumulated Amortisation & Impairment	Cost	Accumulated Amortisation & Impairment
		R '000	R '000	R '000	R '000
	Carrying Value				
	Opening Balance				
	R '000	6 136 553	(917 205)	6 126 897	(819 935)
	Total		5 219 349		5 306 963

34.1 Reconciliation of Investment Property Carried at Cost – 2020/21		Carrying Value	Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Carrying Value Closing Balance
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
	Carrying Value									
	Opening Balance									
	R '000	5 306 962	28 167	(4 117)	(111 097)	(566)				5 219 349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

34.2 Reconciliation of Investment Property Carried at Cost – 2019/20								
	Carrying Value Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Total	5 403 321	13 360	(1 229)	282	(108 771)			5 306 962
34.3 Investment property – additional disclosure								
	2020/21							2019/20
	R '000							R '000
Existence and amounts of restrictions on title and disposal of investment property	-							-
Investment property pledged as security	-							-
Contractual commitments for the acquisition of investment property	-							-
Compensation from third parties for investment property impaired, lost or given up which are included in surplus or deficit	-							-
34.4 Disclosure on assets in the process of being constructed or developed								
Cumulative expenditure recognised in the carrying value of investment property per class of asset	-							-
The carrying value of investment property that is taking a significantly longer period of time to complete than expected	-							-
The carrying value of investment property where construction or development has been halted either during the current or previous reporting period(s).	-							-

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

35 Investment Property Carried at Fair Value

Reconciliation of carrying value	2020/21		2019/20			
	Cost R '000	Fair Value Adjustments R '000	Carrying Value R '000	Cost R '000	Fair Value Adjustments R '000	Carrying Value R '000
Total	30 776 157	(58 246)	30 717 911	30 875 866	(191 611)	30 684 255

35.1 Reconciliation of Investment Property Carried at Fair Value – 2020/21

Carrying Value Opening Balance R '000	Additions R '000	Disposals R '000	Transfers R '000	Fair Value Adjustment R '000	Carrying Value Closing Balance R '000
30 684 256	319 490		20 661	(306 496)	30 717 911

35.2 Reconciliation of Investment Property Carried at Fair Value – 2019/20

Carrying Value Opening Balance R '000	Additions R '000	Disposals R '000	Transfers R '000	Fair Value Adjustment R '000	Carrying Value Closing Balance R '000
29 295 354	286 667	(2 704)	(38 900)	1 143 839	30 684 256

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

36.1 Biological Assets

Reconciliation of Carrying Value	2020/21		2019/20			
	Cost R '000	Accumulated Depreciation and Impairment R '000	Carrying Value R '000	Cost R '000	Accumulated Depreciation and Impairment R '000	Carrying Value R '000
Trees in plantation	3 418 272	-	3 418 272	3 317 758	-	3 317 758
Maize	-	-	-	-	-	-
Dairy Cattle	684	-	684	931	-	931
Other Assets	4 750	(15)	4 735	4 951	(7)	4 943
Total	3 423 706	(15)	3 423 691	3 323 640	(7)	3 323 633

36.1.1 Reconciliation of Biological Assets – 2020/21

Carrying Value Opening Balance	R '000	Purchases R '000	Decrease due to harvest/ sales R '000	Gains/losses from changes in fair value less estimated point of sales costs R '000	Depreciation R '000	Impairment (Loss) / Reversal of impairment loss R '000	Other move- ments R '000	Trans- fers continued Operations R '000	Dis- Carrying Value Closing Balance R '000
Trees in plantation	3 317 758	-	-	114 514	-	-	-	-	3 418 272
Maize	-	-	-	(83)	-	-	-	-	684
Dairy Cattle	932	114	(268)	1 098	(106)	103	(1 100)	-	4 735
Other Assets	4 943	-	(235)	-	(8)	28	-	-	4 943
Total	3 323 633	114	(503)	115 529	(8)	131	(1 100)	(14 000)	3 423 691

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

36.1.2 Reconciliation of Biological Assets – 2019/20

	Carrying Value Opening Balance	Purchases	Decrease due to harvest/sales	Gains/losses from changes in fair value less estimated point of sales costs	Depreciation	Impairment (Loss) / Reversal of impairment loss	Other Transfers	Discontinued Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Trees in plantation	3 251 287		(17 000)	83 471					3 317 758
Maize	55 000						(55 000)		-
Dairy Cattle	717		276 (82)	(61) (688)	(7)				932
Other Assets	5 696	206					(182)		4 943
Total	3 312 700	206	(16 806)	82 722	(7)	-	(55 182)	-	3 323 633

36.1.3 Biological assets - additional disclosure

	2020/21 R '000	2019/20 R '000
Existence and amounts of restrictions on title and disposal of Biological assets	-	-
Biological assets pledged as security	-	-
Contractual commitments for the acquisition of Biological assets	-	-
Compensation from third parties for Biological assets impaired, lost or given up which are included in surplus or deficit	-	-

36.1.4 Disclosure on assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of biological assets per class of asset	-	-
The carrying value of biological assets that is taking a significantly longer period of time to complete than expected	-	-
The carrying value of biological assets where construction or development has been halted either during the current or previous reporting period(s).	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

36.2 Living Resources

Reconciliation of Carrying Value

	2020/21		2019/20	
	Cost R '000	Accumulated Depreciation and Impairment R '000	Cost R '000	Accumulated Depreciation and Impairment R '000
Plants	-	-	-	-
Service Concession Animals	5 224	(1 399)	883	(223)
Other Assets	-	-	-	-
Total	5 224	(1 399)	883	(223)
				Carrying Value R '000
				660

36.2.1 Reconciliation of Biological Assets – 2020/21

	Carrying Value Opening Balance R '000	Purchases R '000	Decrease due to harvest/ sales R '000	Gains/losses from changes in fair value less estimated point of sales costs R '000	Depreciation R '000	Impairment (Loss) / Reversal of impairment loss R '000	Other move- ments R '000	Trans- fers R '000	Dis- continued Operations R '000	Carrying Value Closing Balance R '000
Plants	-	-	-	-	-	-	-	-	-	-
Service Concession	-	-	-	-	-	-	-	-	-	-
Animals	660	40	(120)	(633)	3 891	(13)	(841)	-	-	3 825
Other Assets	-	395	-	446	-	-	-	-	-	-
Total	660	435	(120)	(187)	-	(854)	3 891	-	-	3 825

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the year ended 31 March 2020

36.2.2 Reconciliation of Biological Assets – 2019/20

	Carrying Value Opening Balance	Purchases	Decrease due to harvest/ sales	Gains/losses from changes in fair value less estimated point of sales costs	Depreciation	Impairment (Loss) / Reversal of impairment loss	Other move- ments	Transfers	Dis-continued Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Plants	-	-	-	-	-	-	-	-	-	-
Service Concession Animals	568	63	(5)	(18)	52	-	-	-	-	660
Other Assets	-	-	-	-	-	-	-	-	-	-
Total	568	63	(5)	(18)	52	-	-	-	-	660

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

37 Government Grants and Subsidies

	Balance unspent at beginning of year R '000	Current year receipts R '000	Conditions met - transferred to revenue R '000	Conditions still to be met - remain liabilities R '000
Reconciliation of Movement in Grant - 2021				
Other Government Grants and Subsidies	(11 094 036)	85 343 860	101 610 039	(27 360 214)
Total Government Grant and Subsidies	(11 094 036)	85 343 860	101 610 039	(27 360 214)

	Balance unspent at beginning of year R '000	Current year receipts R '000	Conditions met - transferred to revenue R '000	Conditions still to be met - remain liabilities R '000
Reconciliation of Movement in Grant - 2020				
Other Government Grants and Subsidies	36 325 572	49 936 350	97 355 957	(11 094 036)
Total Government Grant and Subsidies	36 325 572	49 936 350	97 355 957	(11 094 036)

	2020/21 R '000	2019/20 R '000
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38 Public contributions and donations

Public contributions - Conditional	19 209 071	20 886 637
Public contributions - Unconditional	2 971 565	4 287 736
Donations	366 158	140 413
Total	22 546 795	25 314 785

39 Transfers and Sponsorships

Transfer payment from controlling entity	6 205 060	6 879 358
Transfer payment from other departments/entities	806 739	942 560
Local and foreign aid assistance	43 027	86 950
Gifts, donations and sponsorships received	91 925	76 059
Other Transfers and Sponsorships	145 781	106 932
Total	7 292 531	8 091 859

40 Revenue from Fines and Penalties

Fines	256 415	216 110
Penalties (including forfeits)	171 948	782 135
Total	428 363	998 246

41 Legislative and oversight functions

Administration	7 742 583	8 461 460
Legislation and Oversight	54 594 113	55 222 182
Public and International Participation	190 727	146 696
Member's Facilities	-	-
Associated Services	4 391 051	4 489 133
Statutory Appropriation	3 736 622	4 415 834
Total	70 655 095	72 735 305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
42 Taxation Revenue		
Taxes on income and profits	37 271	-
Taxes on payroll and workforce (incl SDL)	5 148 057	7 772 507
Total	5 185 328	7 772 507
43 Revenue from Exchange Transactions – Sale of goods and services		
Revenue from Exchange Transactions - Sale of goods and services	382 189 854	397 505 815
44 Income from Rental of Facilities and Equipment		
Rental of facilities	2 231 142	4 433 935
Rental of equipment	4	356
Other rentals	3 153 641	3 015 745
Total	5 384 786	7 450 036
45 Interest Earned - External Investments		
Bank	7 557 471	10 632 625
Financial assets	34 794 545	44 896 254
Other	2 098 187	3 572 653
Total	44 450 203	59 101 532
46 Interest Earned - Outstanding Receivables		
Interest Earned – Outstanding Receivables	6 651 808	6 574 846
Interest Earned – Finance lease receivables	42 560	47 394
Interest Earned from Statutory Receivables	66 361	618 204
Total	6 760 730	7 240 444
47 Other income		
Other income	15 089 734	23 441 284
Revenue from Exchange Transactions - Sundry income	1 364 754	1 704 678
Insurance commissions	40 763	47 828
Bad debt recoveries	56 306	235 188
Recovery of unauthorised, irregular, fruitless and wasteful expenditure	16	-
Total Other Income	16 551 573	25 428 978
Non-Current Portion of Deferred Income	109 795 724	97 858 204
Current Portion of Deferred Income	4 503 351	4 143 827

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
48 Employee Related Costs		
Salaries - Employees - Salaries and Wages	99 006 364	99 006 364
Salaries - Employees - UIF, Pensions and Medical Aid	12 620 836	9 818 787
Salaries - Employees - Performance and other bonuses	3 033 168	2 889 769
Salaries - Employees - Overtime payments	6 333 046	6 333 046
Salaries - Employees - Other employee related costs	2 322 514	2 675 775
Salaries - Employees - Long-service awards	56 134	56 134
Salaries - Employees - Housing benefits and allowances	2 965 394	2 959 579
Salaries - Employees - Allowances	4 402 403	4 402 403
Salaries - Benefits Paid - Post-retirement medical aid contributions	224 105	224 911
Salaries - Benefits Paid - Movement in long-term employee benefits	206 246	205 157
Salaries - Accounting Authority - Basic remuneration	1 314 836	1 317 505
Salaries - Accounting Authority - Performance awards	1 970	71
Salaries - Accounting Authority - UIF	976	976
Salaries - Accounting Authority - Periodic payments	8 640	6 769
Salaries - Accounting Authority - Pension	230	230
Salaries - Accounting Authority - Other non-pensionable allowances	11 070	7 934
Salaries - Accounting Authority - Medical	3 370	3 370
Salaries - Accounting Authority - Insurance	5 097	5 097
Salaries - Accounting Authority - Gratuities	4 831	4 831
Salaries - Accounting Authority - Compensative or circumstantial	6 942	5 601
Employee benefits expensed - liability for long service leave	16 592	1 517
Employee benefits expensed - termination benefits	749 029	799 814
Employee benefits expensed - Other	1 285 953	(322 176)
Movement in Provision - Provision for Performance Bonus	1 508 820	1 414 791
Movement in Provision - Provision for Leave Pay	1 565 852	1 037 823
Movement in Long-term Provisions - Provision for Long Service Awards	865	1 874
Movement in Long-term Provisions - Other Long-term employee related provisions	2 593 243	525 766
Total	141 115 640	134 175 672
49 Repairs and Maintenance		
Property, plant and equipment	14 498 535	12 045 134
- Land	4 369	5 567
- Buildings	2 659 762	3 147 693
- Vehicles	116 920	121 474
- Infrastructure	251 322	207 378
- Capital Work in Progress	1 460	121
- Finance Lease Assets	106	129
- Furniture & Fittings	1 533	1 391
- Plant, Machinery & Equipment	11 160 656	8 303 864
- Office Equipment	42 845	55 124
- Computer Equipment	257 185	189 529
- Aircraft	165	7 126
- Ships	2 211	5 737
Heritage Assets	-	-
Intangible Assets	332 165	260 126
Investment Property	142	141
Biological Assets	-	-
Other Assets	6 385 958	6 808 678
	21 216 801	19 114 079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

h	2020/21 R '000	2019/20 R '000
50 Depreciation and Amortisation Expense		
Property, plant and equipment	60 073 157	61 897 813
Intangible assets	2 461 724	3 300 692
Investment property carried at cost	111 097	108 771
Biological assets carried at cost	8	7
Living resources	187	18
Total Depreciation and Amortisation	62 646 173	65 307 302
51 Contracted Services		
Consultants on various projects	2 920 410	2 948 698
Agency fees	2 812 901	1 750 406
Research	290 921	288 491
	6 024 232	4 987 594
52 Grants and Subsidies Paid		
Total grants and subsidies paid	22 989 725	26 283 945
53 Finance Costs		
Borrowings	41 986 847	41 661 351
Interest Charged on Overdue Trade and other payables	1 773 581	3 476 281
Finance leases	2 024 986	2 146 125
Other financial liabilities	25 826 934	33 705 045
Bank overdrafts	16 951	30 331
Total Finance Costs	71 629 299	81 019 134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
54 General Expenses		
Included in general expenses are the following:		
Advertising	936 916	2 406 167
Admin fees	38 232 457	46 738 861
Audit fees	1 217 748	1 185 063
Bank charges	447 536	416 278
Bursaries	37 339 651	27 055 430
Cleaning	864 660	809 406
Conferences and delegations	60 957	355 620
Connection charges	414 462	342 725
Consulting fees	3 448 926	3 892 609
Consumables	496 096	528 783
Cost of sales	163 446 218	158 038 836
Debt collection commission	14 350	26 701
Departmental consumption	1 776	4 481
Entertainment	284 116	98 410
Electricity	8 206 059	8 717 394
Financial management grant	221 006	258 363
Fuel and oil	2 479 356	3 361 363
Insurance	1 662 333	1 798 940
Legal expenses	1 393 897	1 583 301
Levies paid	880 638	1 034 826
Licence fees - vehicles	29 201	26 419
Licence fees - computers	1 024 490	914 330
Membership fees	119 665	145 705
Movement in other provisions	3 349 694	(2 657 685)
Parking	29 208	36 827
Postage	115 098	238 381
Printing and stationery	371 771	601 777
Professional fees	1 965 298	2 514 006
Rental of buildings	7 984 518	7 927 328
Rental of office equipment	354 561	413 684
Rental of computer equipment	51 836	59 310
Other rentals	1 670 824	1 498 204
Security costs	3 451 429	3 671 303
Skills development levies	461 317	611 884
Stocks and material	5 733 911	6 682 384
Subscription & publication	114 318	115 369
Telephone cost	1 398 519	2 255 218
Training	629 474	1 142 752
Transport claims	257 816	447 681
Travel and subsistence - Local	3 541 360	5 476 130
Travel and subsistence - Foreign	68 509	380 726
Uniforms & overalls	33 352	34 945
Valuation costs	20 614	(346)
Water	561 653	629 686
Other	49 509 429	83 859 916
	344 897 023	375 679 492
55 Gain / (Loss) on Sale of Assets		
Property, plant and equipment	(1 909 792)	(5 317 223)
Intangible assets	(3 681)	(5)
Investment property	(4 376)	(1 774)
Other financial assets	3 232	159 148
Total Gain / (Loss) on Sale of Assets	(1 914 617)	(5 159 853)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
56 Impairment (Loss) / Reversal of impairment loss		
Property, plant and equipment	(3 934 579)	(9 409 305)
Intangible assets	(42 943)	(1 402)
Other financial assets	(8 220 224)	(20 006 473)
Heritage assets	(284)	(636)
Statutory Receivables	(3 221 150)	(3 924 147)
Total Impairment (Loss) / Reversal of impairment loss	(15 419 179)	(33 341 962)
57 Profit / (Loss) on Fair Value Adjustment		
Investment property carried at fair value	(307 273)	788 669
Other financial assets	(12 655 351)	5 546 085
Other financial liabilities	35 726 396	(40 617 424)
Other fair value adjustment gain/(loss)	(104 022 837)	154 407 849
Total Profit / (Loss) on Fair Value Adjustment	(81 259 065)	120 125 180
58 Profit / (Loss) on Revaluation of Assets		
Gain/ (loss) on revaluation of heritage assets	(800)	-
Gain/ (loss) on revaluation of property, plant and equipment	1 499 208	(2 357)
Gain/ (loss) on revaluation of investment property	(216 097)	720 537
Gain/ (Loss) on revaluation on other financial assets	23 278 705	(29 512 880)
Total Profit / (Loss) on Revaluation of Assets	24 561 016	(28 794 701)
59 Taxation		
Income tax expense		
South African normal taxation		
Current tax	3 053 139	6 356 826
Deferred taxation	(9 435 695)	(7 316 082)
- Movement in temporary differences	(1 059 558)	828 742
- Unused tax loss created	(9 238 850)	(7 996 195)
- Recognition of unused tax loss not previously recognised	-	15 885
- Unused tax loss utilised	67 972	200 028
- Other movements in deferred taxation	778 856	(336 298)
SA normal tax	(6 382 555)	(959 256)
Foreign taxation	87	
TOTAL INCOME TAX EXPENSE	(6 382 468)	(959 256)
Tax rate reconciliation		
Accounting profit	(40 403 652)	(26 982 880)
Tax calculated at tax rate 28.00%	(11 313 023)	(7 555 206)
Tax effect of non-taxable/non-deductible items	4 909 224	6 451 985
- Dividends not taxable	(17 910)	(14 425)
- Fines not deductible	656	26 119
- Donations not deductible	6 014	(7 793)
- Depreciation not deductible	209 730	220 198
- Unused tax loss not recognised	553 276	1 015 509
- Other movements of non-taxable/non-deductible items	4 157 458	5 212 377
Change in taxation rate	21 331	143 965
INCOME TAX EXPENSE	(6 382 468)	(959 256)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
60 Surplus / (Deficit) from discontinued operations		
Revenue		
Net Operating Expenses Excluding Depreciation and Amortisation	14 360	(3 476 021)
Surplus / (deficit) From Operations Before Depreciation, Amortisation And Other Items	14 360	(3 476 021)
Other Income	(66)	(5)
Administrative Expenses		
Depreciation And Amortisation (impairment)/reversal Of Impairment Of Assets		
Finance Costs		
Finance Income		
Profit/ (loss) Before Taxation	14 294	(3 476 026)
Taxation		
Surplus / (Deficit) For The Year From Discontinued Operations	14 294	(3 476 026)
61 Cash flows from operating activities		
Surplus/(deficit) for the year from:		
Continuing operations	(74 838 569)	54 524 009
Discontinued operations	14 294	(3 476 026)
Adjustment for :		
(Gain) / loss on sale of tangible Assets	2 016 622	12 622 295
(Gain) / loss on sale of Intangible Assets	(1 394 149)	(1 377 386)
Amortisation	3 534 361	4 718 348
Contribution to provisions – current	241 761	458 699
Contribution to provisions - non-current	39 763 536	24 379
Depreciation	42 634 662	44 471 847
Discount on bonds amortised	44 000	(10 000)
Dividend Income	(4 181 151)	(4 154 103)
Fair value adjustments	85 663 805	17 246 368
Fair value losses on financial instruments	(5 655 877)	(4 822 128)
Finance Costs	7 232 979	15 767 466
Finance Costs: Service Concession	(3 483 051)	(3 824 077)
Finance Income	(12 987 566)	(24 047 536)
Foreign exchange (gains)/losses on operating activities	(2 609 725)	(2 474 441)
Increase/(decrease) in provisions	11 785 848	(7 235 488)
Interest received-Held-to-maturity investments	(159 663)	(334 632)
Increase in provision for post-retirement benefit obligation	(131 621)	(1 249 750)
Movements in other employee benefit items	110 039	729 983
Movement in rehabilitation liability	111 698	(185 160)
Net foreign exchange losses on translation	12 874	(24 110)
Provision for inventory obsolescence	13 707	(107 273)
Release of firm commitments	238 433	15 476
Revaluation of Assets	(112 440 383)	(94 775 910)
Security of supply of petroleum levy	30 137	22 700
Share of (income)/loss from associates and Joint Ventures	(1 806 499)	(2 184 940)
Unrealised foreign exchange losses/(gains)	(5 361 392)	5 987 679
Impairment loss / (reversal of impairment loss)	11 324 012	30 027 971
Service costs: Service Concession	90 759	(430)
Other non-cash item	(23 064 010)	34 683 890

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
Operating surplus before working capital changes:	(78 307 128)	80 843 626
(Increase)/decrease in inventories	(5 995 743)	(4 466 560)
(Increase)/decrease in trade and other receivables	(8 382 157)	(4 590 287)
(Increase)/decrease in statutory receivables	(2 027 437)	(4 098 196)
(Increase)/decrease in other operating lease assets	(204 135)	(57 209)
(Increase)/decrease in prepayments	4 721 553	(5 182 456)
Increase/(decrease) in conditional grants and receipts	(2 364 777)	3 859 996
Increase/(decrease) in consumer deposits	(684 503)	(882 418)
Increase/(decrease) in deferred income	8 999 980	3 522 582
Increase/(decrease) in trade and other payables	849 568	5 421 455
Increase/(decrease) in other payables	5 139 685	7 124 097
Increase/(decrease) in payments received in advance	4 355 059	5 198 082
Other working capital movements	145 535 943	(30 274 799)
Net cash flows from operating activities	71 635 909	56 417 914

62 Change in Accounting Policy

Financial statement line items affected as a result of a change in accounting policy:

Changes in Deferred tax (Asset)/Liability		104 129
Changes in Equity/Reserves		(250 680 910)
<i>Other current financial liabilities</i> <i>(Social benefits liability)</i>	32 515 868	305 399 072
<i>General expenses</i>	(32 239 451)	(54 786 475)
<i>Depreciation</i>	(8)	(7)
	276 409	35 809

63 Correction of Prior Period Error

The Net effect of prior period error(s) relating to the Statement of Financial Performance are as follows:

	Amount before error correction	Prior period error	Restated amount
Depreciation	3 637 433	4 148	3 691 500
Expenditure	439 516 123	(613 504)	438 897 703
Revenue	(231 306 737)	6 680 213	(224 640 423)
Other	34 411 046	8 933 436	43 344 481
Net effect on surplus/(deficit) for the year	246 257 864	15 004 293	261 293 261

The Net effect of prior period error(s) relating to the Statement of Financial Position are as follows:

Property, plant and equipment	405 701 827	24 741 310	430 442 049
VAT receivable not previously recognised	97 378 307	(7 812 034)	89 566 273
Non current and current receivables	(2 004 498)	25 091 283	23 086 786
Provisions	(18 133 542)	(27 478 884)	(45 612 426)
Accruals	13 662 127	(172 639)	11 557 788
Other	380 017 274	(1 929 808)	378 197 739
Net effect on Statement of Financial Position	876 621 495	12 439 227	887 238 209

The Net effect of prior period error(s) relating to the Statement of changes in Net Assets are as follows:

Accumulated Surplus/(Deficit)	531 741 128	25 856 863	557 588 331
Accumulated surplus opening balance	2 176 834	351 851	2 528 685
Other	1 165 646	(67 542)	1 098 104
Net Effect on Statement of changes in Net Assets	535 083 608	26 141 172	561 215 120

64 Change in Estimate

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Value derived using the original estimate (R '000)	Value derived using amended estimate (R '000)	Value impact of change in estimate (R '000)
Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected:	722 069	5 938 461	3 358 427
Buildings	1 821 833	1 869 297	17 070
Infrastructure assets	(75 873)	(77 642)	5 229
Community assets			
Machinery	(21 135)	(26 535)	34 186
Office equipment	(736 785)	(566 199)	166 707
Furniture	405 869	1 629 441	1 188 232
Vehicles	(1 534 237)	(610 205)	414 486
Computer equipment	(397 657)	1 772 299	1 498 382
Computer software	931 428	1 512 320	(75 861)
Other intangible asset 1	319 846	427 280	110 355
Biological asset at cost 1	8 780	8 404	(359)

	Value derived using the original estimate (R '000)	Value derived using amended estimate (R '000)	Value impact of change in estimate (R '000)
Change in depreciation resulting from reassessment of residual values. The following categories are affected:	32 635	35 736	4 121
Buildings	19 976	22 558	2 582
Office equipment	291	711	420
Furniture	9 047	8 726	585
Vehicles	3 321	3 741	528
Computer equipment			6
Computer software	19 976	22 558	2 582

	Value derived using the original estimate (R '000)	Value derived using amended estimate (R '000)	Value impact of change in estimate (R '000)
Change in depreciation / amortisation resulting from a change in the depreciation / amortisation method. The following categories are affected:	661	-	-
Office equipment	3	-	-
Furniture	42	-	-
Vehicles	63	-	-
Computer equipment	532	-	-
Computer software	1	-	-
Other intangible asset 1	20	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Value derived using the original estimate (R '000)	Value derived using amended estimate (R '000)	Value impact of change in estimate (R '000)
Change in depreciation / amortisation resulting from a change in the depreciation / amortisation method. The following categories are affected:			
Rehabilitation provision	1 216 598	1 219 179	2 581
-Provision period	1 216 598	1 219 179	2 581

	2020/21 R '000	2019/20 R '000
65 Fruitless and Wasteful Expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance -	7 286 072	5 127 387
Prior period error		411 330
As restated		5 538 722
Add: Fruitless and wasteful expenditure - current year	2 956 934	1 542 817
Add: Fruitless and wasteful expenditure - prior year	1 297 966	2 199 836
Less: Condoned or written off by relevant authority	(289 544)	(1 657 483)
Less: Transfer to receivables for recovery	(17 978)	(337 821)
Fruitless and wasteful expenditure closing balance	11 233 449	7 286 072
66 Irregular Expenditure		
Reconciliation of irregular expenditure		
Opening balance -	301 586 591	209 293 575
Prior period error		32 148 891
As restated		241 875 132
Add: Irregular expenditure - current year	66 351 642	44 162 681
Add: Irregular expenditure - prior year	(33 916 801)	21 777 785
Less: Condoned or written off by relevant authority	(26 350 445)	(5 901 819)
Less: Transfer to receivables for recovery – not condoned	(1 180 824)	(327 188)
Irregular expenditure awaiting condonement	306 490 163	301 586 591
67 Capital Commitments		
Commitments in respect of capital expenditure:		
- Approved and contracted for	167 250 587	178 493 228
Infrastructure	74 091 673	84 350 381
Community	62 835	48 722
Heritage	3 582	4 970
Other	93 092 497	94 089 155
- Approved but not yet contracted for	103 772 140	120 465 148
Infrastructure	99 247 840	114 434 481
Community	81 469	139 610
Other	4 442 830	5 891 057
Total	271 022 727	298 958 376
This expenditure will be financed from:		
- External Loans	62 630 211	102 771 721
- Government Grants	100 586 499	96 014 093
- Own resources	107 806 017	100 172 562
	271 022 727	298 958 376

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
68 Operating leases		
At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:		
Operating lease arrangements		
Lessee		
At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	20 226 262	4 546 007
1 to 5 years	32 644 301	8 279 751
More than 5 years	28 253 856	29 012 119
	81 124 418	41 837 878
Lessor		
At the reporting date the entity had contracted with tenants for the following future minimum lease payments:		
Up to 1 year	6 889 763	5 304 697
1 to 5 years	16 859 338	15 422 511
More than 5 years	26 899 630	19 724 070
	50 648 732	40 451 278
9 Contingent Liabilities		
69.1 Guarantees		
Guarantees	14 029 789	4 698 261
69.2 Court proceedings		
Legal court proceedings	126 521 613	105 980 524
69.3 Insurance claims		
Insurance claims	1 729 402	1 283 445
69.4 Forensic investigation		
Forensic investigation	29 673	19
69.5 Other contingent liabilities		
Other contingent liabilities	256 760 346	162 082 843
Total contingent liabilities	399 070 823	274 045 092
70 Contingent Assets		
70.1 Court proceedings		
Legal court proceedings	216 283 553	1 159 416
70.2 Insurance claims		
Insurance claims	419 922	597 468
70.3 Forensic investigation		
Forensic investigation	-	-
70.4 Other contingent assets		
Other contingent assets	20 495 397	1 654 638
Total contingent assets	237 198 871	3 411 522

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R '000	2019/20 R '000
71 Contributed Capital		
Opening balance	132 033 136 144	83 033 136 144
Contributions	56 000 000 000	49 000 000 000
	188 033 136 144	132 033 136 144

72 Events After the Reporting Date

Adjusting events

Commission for Gender Equality (CGE)

At reporting date, a claim by employees for an employer contribution towards the employees' provident fund was unsolved, under litigation and/or dispute resolution respectively before the Labour Court and Commission for Conciliation, Mediation and Arbitration. In its latest meeting on 19 July 2021, the top management of the Commission resolved to rescind the previous resolution central to the dispute, thereby rendering the claim by employees retrospectively payable in favour of the employees,

Air Traffic and Navigation Services Company Limited

The directors are not aware of any other significant events that occurred after the reporting date that would require adjustments to or disclosure in the financial statements. Furthermore management is not aware of any circumstances which exist that would impede the company's ability to continue as a going concern. However, subsequent to year end management have initiated a process to implement section 189 of the Labour Relations Act and are in negotiations to secure funding for the capital program. Although these events are significant, they do not have an impact on the current financial year reporting.

MINTEK

Since 31 December 2019, the spread of Covid 19 has severely impacted many local economies around the globe.

National Lotteries Commission

A labour Court judgement was finalised after year end in favour of a dismissed employee by retrospectively re-instating the employee. The NLC has entered into negotiations with the affected employee. The details of the matters are not fully disclosed to maintain confidentiality as the negotiations are still ongoing.

South African Bureau of Standards

On the 9th of March 2021, the South African Bureau of Standards issued a Notice of Consultations in terms of Section 189 of the Labour Relations Act No 66 of 1995. The SABS is contemplating reducing its headcount, through retrenchments to achieve estimated cost savings of R150 million. On the 31 July 2021 the SABS had already concluded a portion of the consultation process that resulted in voluntary severance packages and early retirement been offered to qualifying employees. An adjustment was made for these payouts and have been accrued for within trade and other payables in note 23. The employee benefit obligations in note 21 have also been adjusted for these payouts as well as note 3: Employee Benefit Expenditure.

South African Civil Aviation Authority

The Board is not aware of any significant events that occurred after the reporting date that were not adjusted or disclosed in the financial statements. Furthermore, and except for the matters referred to in the going concern paragraph, management is not aware of any circumstances that exist that would impede the SACAA's ability to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

South African National Accreditation System

At the year-end 2019/2020 SANAS raised a provision for 2019/2020 discretionary performance bonuses as the internal process had not yet been concluded at reporting date. After a long process of information gathering and discussions held at the Board and Board Committee meetings, the SANAS Board came to a decision at a meeting held on 28 April 2021 to decline the application for the payment of 2019/2020 discretionary performance bonuses. The previous year's provision was thus reversed and this has increased the surplus as reported at 31 March 2021.

Impact: The reversal of 2019/2020 discretionary performance bonuses increased the surplus by R2,938,814.

South African National Energy Development Institute

During the financial year, the entity entered into the process of renewing its operating lease, the lease is subsequent to year end still being finalised, and is of a material nature as it relates to the renewal of the lease office block from CEF(SOC) Limited for an estimated amount of R5million over four years, this a non adjusting event refer to note 21

South African National Parks

Irregular Expenditure Condonation

The Accounting Authority has approved R411 016 966.02 relating to the 2018/19 irregular expenditure transaction. The approval for condonation follows the determination test that the loss control committee conducted during the year under review, including the forensic investigation done on the Nature Conservation Trust expenditure amounting to R183 926 747.95.

South African National Roads Agency Limited

Between 1 June 2021 and 11 August 2021, National Treasury condoned R9 957 million of the R10 887 million irregular expenditure brought forward from 2019 and previous financial years.

South African Post Office Limited

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Public Protector of South Africa

(a) In the matter of Pravin Gordhan v Public Protector (2) (Irvin Pillay) the leave to appeal was dismissed with costs on 07 April 2021. The Public Protector has since filed a petition to the Supreme Court of Appeal, this is an adjusting event. The contingent asset on the strike out remains. However there is a new contingent liability on costs for leave to appeal and the dismissal.

(b) In the matter between SITA and Public Protector, judgment was handed down on 25 May 2021 in favor of SITA with costs. This an adjusting event and a contingent liability has been disclosed.

(c) In the matter between USAASA v PPSA the judgment was handed down on 25 May 2021 in favor of USAASA with costs. This an adjusting event and a contingent liability has been disclosed.

(d) In the matter of Pravin Gordhan & Others v Public Protector (Rogue unit), the leave to appeal was dismissed with costs on 26 May 2021. The Public Protector has filed a petition to the Supreme Court of Appeal. This an adjusting event

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

South African Human Rights Commission

There were no events that occurred after the reporting date for the year under review.

Covid-19 pandemic

The SAHRC has been able to maintain its operations under the lockdown restrictions and regulations announced by the South African government since the Covid19 pandemic hit the country. Furthermore, even with the revised risk adjustment for the economy and country there are no material matters after the reporting date for the SAHRC.

Boxing South Africa

1. The Office rental lease was extended by three years to the total value of R2 596 426.
2. A whistleblower report was received in June 2021 relating to a tender awarded in 2021 financial year. The complaint is in the process of being investigated. During the investigation further information was provided that required additional investigation to test the veracity of the information. The investigation is currently ongoing. The Investigation report is expected to be finalized by 30 November 2021.

Construction Education and Training Authority

A receivable of R4,478m was raised on fruitless expenditure recovered. Refer to note 27.1.

Council for Medical Schemes

CMsS levy increase for the 2020/2021 financial year was approved on 29 April 2021 and schemes were billed for difference subsequent to the levy approval. Irregular expenditure amounting to R467 768 was condoned on the 30 April 2021.

Die Afrikaanse Taal Museum

The council is not aware of any material event which occurred after the reporting date and up to the date of this report.

The council believes that the ATM has adequate financial resources to continue in operation for the foreseeable future and accordingly the AFS have been prepared on a going concern basis. The council has satisfied themselves that the ATM is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The council are not aware of any new material changes that may adversely impact the ATM except for the impact of COVID-19. The council are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the ATM.

National Arts Council of South Africa

In April 2021, Council approved to further disburse 136 applicants to the value of R31 001 054 for the Presidential Employment Stimulus Programme (PESP).

National Heritage Council of South Africa

1. The National Heritage Council entered into a new rental agreement with TSL Telecommunications and Automation (Pty) Ltd for three(3) photocopy machines, effective from 6 April 2021 through participation agreement concluded between National Treasury and the Service Provider. The contract is for thirty-six(36) months at a cost of R225,326.
2. In May 2021, a former official brought an application to have the appointment of the Administrators set aside and consequently the appointment of the Forensic Auditors. The matter was not brought on an urgent application. Thus the matter will only be argued later in 2021/2022 financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Public Service Sector Education and Training Authority

After the Annual financial statements were issued for audit, PSETA disputed the letter received from DHET and subsequently

DHET forwarded a letter revising the number of irregular appointments of AA members, resulting in a decrease of irregular expenditure initially reported on 31 May 2021 of R836 000.

Non-Adjusting events

Council for the Built Environment

CBE submitted an application for condonation during the 2020/21 financial year. National Treasury did not condone the irregular expenditure and CBE subsequently submitted a request for appeal on 7 April 2021. National Treasury approved the condonation of the irregular expenditure amounting to R8 164 289.55 on 5 May 2021. The aforementioned event constitutes a non adjusting event and no changes have been made to the annual financial statements.

Council considered a request from the CEO requesting her early retirement, received on 4 May 2020. Although the CEO's fixed term contract expires in March 2022, her application for early retirement will be effective from 30 June 2021.

A resignation request was received from the COO on 27 May 2021 and the employment contract will terminate on 30 June 2021.

No other significant event took place after the reporting date that would have a significant effect on the financial statements

Academy of Science of South Africa

Council is not aware of any material events that would impact the reporting of the annual financial statements. The annual financial statements have been authorised for

Airports Company of South Africa Ltd

On 06 April 2021, the group approved the sale and purchase agreement ("SPA"), Exchange Control Application and all relevant agreements and documents related to the conclusion of the GRUPAR sale of the Company's 20% shareholding. The Minister of Transport's approval of the SPA as required by s54 of the Public Finance Management Act is pending.

Bloem Water

The Ministry changed from Human Settlements, Water and Sanitation to Water and Sanitation after year end.

CEF (Pty) Ltd

1. On the 20th of June 2020, Cabinet approved the planned appointment of a restructuring company to merge The Petroleum Oil and Gas Corporation of South Africa SOC Ltd (PetroSA), The Strategic Fuel Fund SFF Association NPC (SFF) and South African Gas Deve

MINTEK

Mintek management has assessed the impact of Covid 19 and the resultant lockdowns on its financial performance and position and has determined that is a non adjusting event. Accordingly the financial position and results of operations for the financial year ended 31 March 2021 have not been adjusted to reflect the impact of the COVID 19 pandemic.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Cross-Border Road Transport Agency

APPOINTMENT OF NEW BOARD

Subsequent to year-end, the Minister of Transport, Honourable Fikile Mbalula, has appointed a new Board of the C-BRTA effective from 29 June 2021. The Board is tasked with overseeing the activities of the Agency and to advise the Minister of Transport on any aspect relating to cross-border road transport industry. The above event did not result in any adjustment to the annual financial statements. However, the new Board has considered the audited annual financial statements and acknowledged its responsibility in respect thereof. The new Chairperson of the Board has signed the Statement of Responsibility on behalf of the new Board. The following is a list of members of the new Board:

Driving License Card Trading Account

The Entity has determined that these events are non-adjusting subsequent events. The duration and impact of the COVID 19 pandemic, as well as the effectiveness of the government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and the results of the Entity for future periods. The Entity is not aware of any material event which occurred after the reporting date and up to the date of this report.

Export Credit Insurance Corporation of South Africa Limited

For one of the projects affected by COVID-19 as disclosed in note 14; historically it experienced challenges in respect of poor quality and quantity of the reserves, which were exacerbated by COVID-19, which resulted in low demand for the product and unsustainable low market price. Post year-end the Corporation entered into discussions to restructure the debt (include purchasing the debt for a reduced amount), which will result in ECIC paying a claim in the next financial year in the range of between \$48.2 million and \$50.8 million (R715.1 million and R753.7 million as at 31 March 2021). At reporting date, a claims reserve has not been raised as there was no default event. This potential claim amount would range between \$50 million and \$57 million (R742 million and R846 million as at 31 March 2021), with claim salvages possible over the long term.

Human Sciences Research Council

The HSRC Board was approached by the Minister of Higher Education, Science and Technology in late 2020 with a formal request for HSRC take over the management and monitoring and evaluation of the DSI-NRF Internship Programme from the National Research Foundation (NRF) commencing in the 2021/22 financial year. The Programme places unemployed graduates in Science, Engineering and Technology (SET) disciplines as well as those in Humanities and Social Sciences (HSS) disciplines at various institutions throughout the country as part of a work integrated learning programme aimed to enhance graduates access to the labour market, within the SET and HSS sectors. The Programme to be referred to as the DSI-HSRC Internship Programme will be transferred to the HSRC as from the 1st June 2021.

Lepelle Northern Water

The minister of water and sanitation appointed a new board effective from the 1st of August 2021. The new board replaced the interim board which served for a period of 15 months starting from the beginning of May 2020

The are financial impact on this appointment as the new board will be remunerated on the same terms as the interim board

National Agricultural Marketing Council

CCMA cases: The subsequent events relates to the case referred to the CCMA against the NAMC. The hearing was conducted on the 15 April 2021, the outcome of the hearing at the sitting was that, a certificate was issued, for the labour court to be approached on the basis of unfair discrimination in order to seek relief. Appointment of the new council members:

The Minister appointed new council members effective from 25 of may 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

National Consumer Commission

The accounting authority has assessed the potential impact of COVID-19 pandemic on the NCC and has concluded that the pandemic would not have significant impact on the planned expenditure for the 2021/2022 financial year. The COVID-19 related expenses will be provided from the available budget allocation.

The budget allocation for R61,270 million for 2020/2021 financial year was reduced with R9,740 million, implying a net budget allocation of R51,530 million. The reduction will not adversely affect the achievement of strategic objectives.

The entity will request approval from National Treasury to retain R10,406 million of its cash surplus for the acquisition of the ICT hardware.

National Empowerment Fund

The riots that took place in the provinces of Kwa-Zulu Natal and Gauteng during July 2021 affected certain business enterprises financed by the NEF. The full impact of the losses suffered by our clients has not yet been established. However, management will continue to monitor these business enterprises. These comprise non adjusting post balance sheet events.

Passenger Rail Agency of South Africa

On 08 April 2021: Chatsglen, Kwazulu-Natal - The station was damaged and equipment stolen. The cost of the damage has not been determined. There were no reported injuries or fatalities.

On 12 April 2021: Akasia Parl/Monte Vista, Western Cape - Train set alight by protesting commuters. Two motor coaches were burnt. The cause of the fire is being investigated. Estimated cost R5m. There were no reported injuries or fatalities.

On 12 April 2021: Crossmoor, Kwazulu-Natal - A community member reported a burning building. The cause of the fire is being investigated. The cost of the damage has not been determined. There were no reported injuries or fatalities.

On 24 April 2021: Bosmont, Gauteng - A community member reported a burning building. The cause of the fire is being investigated. The cost of the damage has not been determined. There were no reported injuries or fatalities.

On 29 April 2021 PRASA Board approved the hybrid consolidation model of PRASA CRES and Intersite. Such a model dict

Rand Water

Booster Station

On 3 July 2021, Rand Water's Palmiet booster station had a failure of two pump sets that impacted the normal supply capacity to its customers. The pump station was operating at 55% of its normal capacity which resulted in depletion of reservoir levels within the Palmiet system. The costs of the incident are yet to be determined as investigation are concluded.

Vandalised Pipeline

On 20 July 2021, Rand Water's B16 pipeline was vandalized, as a result, the pipeline was shut down temporarily. This temporary shutdown resulted in a reduction in water supply to 200ml/d to the Brakpan reservoir. This interruption affected areas of Tsakane, Lesedi, Nigel, Marievale, North Boundary and Duduza. The costs of the incident are yet to be determined.

Department of Human Settlement, Water and Sanitation

On 05 August 2021, the Honourable President of the Republic of South Africa announced a cabinet reshuffle wherein the current Department of Human Settlement, Water and Sanitation was

Road Traffic Infringement Agency

The material matters have been detailed in note 16 (contingencies), 17 (related parties), 28 (investigations) and 31 (Birchwood Arrangement).

Small Enterprise Development Agency

1. Seda Board appointed a new acting CEO, Mr N Mbatha from 1 May 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

2. Parliament approved the incorporation of the Small Enterprise Finance Agency (SEFA) and Cooperative Banks Development Agency (CBDA) into the Small Enterprise Development Agency (Seda). The merger of these entities will enable an integrated government support to small, micro and medium enterprises, as well as cooperatives with effect from 1 April 2022. The approved incorporation will result in the reclassification of SEDA (which will be renamed later) in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) from a Schedule 3A to a Schedule 2 entity.
3. SEDA experienced a cyber attack in April 2021 which effected all its systems and had an impact on its delivery. Systems were back on 16 June 2021.
4. During August 2021 a new Minister, Ms Stella Ndabeni-Abrahams, was appointed for the Department of Small Business Development (dsbd) to which Seda reports.

South African National Parks

On 18 April 2021 there was a fire at Table Mountain National Park. The fire resulted in damages to the Rhodes Memorial restaurant. The fire spread to surrounding areas and as result there is a possible liability to third parties. The extent of the damage is still being assessed by the insurers. Therefore the financial effect cannot be estimated.

South African National Roads Agency Limited

On 4 May 2021, Global credit rating (GCR) issued a credit rating announcement, where it has downgraded SANRAL national scale issuer ratings from A(ZA) to A-(ZA) and A1(ZA) to A2(ZA) for the long and short term respectively, the outlook remains on Negative. Concurrently, the long-term international scale issuer rating assigned to SANRAL has been affirmed at B+, outlook Negative. The downgrade on SANRAL's national scale credit ratings reflects the high refinancing requirements over the medium term, coinciding with a lesser assurance of financial support from the National Government for State Owned Companies because of a weakened fiscal position. The agency indicated the rating could improve if there is a resolution to the GFIP toll payment issues, that would allow SANRAL to move towards financial self-sustainability. The GCR report/announcement recognises SANRAL's critical role in facilitating the economy, with its position mandated and protected by legislation.

The CEO's term will end on 30 November 2021. The CEO's contract was not renewed. The Minister of Transport mandated to follow due process and recommend to the Minister a new CEO to be appointed by the shareholder. The Board has advertised the post and the closing date was the 17th of November 2021 for applications.

The Board's term ended on 31 August 2021 but was extended until the new Board is appointed. The Board's term ended on 31 August 2021 but was extended until a new Board is appointed. The nomination and recruitment process for the new Board was started in March 2021 by the Department of Transport, and await the final appointment, which will be concluded after the CEO is appointed.

SANRAL raised R3,7 billion (nominal) through private placements. SANRAL has done private placements to the value of R3,7 billion (in nominal terms) since April 2021. The funds were sourced in order to cover maturing debts and service debt. SANRAL has to raise about R10 billion between now and May 2023 to cover maturing debt.

Technology Innovation Agency

There is one legal matter that has subsequently been concluded after year end of which the ruling was against TIA. This amount will be expensed in the 2021/22 financial year. The funds are held in a trust account of the attorney for an amount of R564,000.

Universal Service and Access Agency of South Africa

On 7 June 2021 USAASA was served with a Notice of Motion claiming R102 million from USAAS, alleging USAASA to be in breach of a letter of undertaking signed by the former CEO of USAASA, Mr Zami Nkosi on 16 January 2016, whereby it is alleged that USAASA undertook to pay all invoices submitted by Leratadima Marketing Solutions (in liquidation) into a VBS Bank account. It is further alleged that as a result of USAASA breaching this undertaking, VBS Bank (in liquidation) suffered damages in the sum of R 102 million. USAASA was not a party to that facility agreement nor was USAASA aware of such agreement or any cession.

Brand SA

As at 31 March 2021, the entity was awaiting an approval for the retention of surplus funds amounting to R4,229,708 from National Treasury. Owing to that, the entity raised a contingent liability pending the results of the application. Subsequent to the financial year end, a report was received from National Treasury allowing the entity to retain the surplus funds relating to the preceding financial period. Consequently, the contingent liability was cleared. Further to the above, the entity had a lease contract for office building expiring on 31 July

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

2021. This contract was extended after year end with terms and conditions regarding lease deposit kept the same. The lease deposit was therefore kept under non-currents assets.

Film and Publication Board

On 21 April, The Cabinet announced the following members to the Council of the Film and Publication Board

1. Zamantungwa Mkosi (Chairperson),
2. Dr Siyasanga Mhlangabezi Tyali
3. Ms Lungelo Pearljean Nxele, 4. Ms Magalutchmi Pillay
5. Mr Phosa Jan Mashangoane, 6. Ms Glory Zanele Nkosi
7. Mpho Sedibe (CA) SA, Dr Andile Nontso
8. Advocate Lufuno Tokyo Nevondwe

Development Bank of Southern Africa

There were no material adjusting events after the reporting date other than those already addressed in the notes to the annual financial statements (refer to note 42).

ESKOM

Eskom received R7 billion on 1 April 2021, R10 billion on 26 April 2021, R3 billion on 25 June 2021 and R11.7 billion on 1 July as part of the support from government.

Financial & Fiscal Commission

Management has assessed the impact of the Covid 19 global pandemic on the FFC's operations to be currently low as no direct impact is anticipated that drastically affects the entity. The FFC is funded through the budget vote by National Treasury and no risk has been posed to its allocation for the 2021/22 financial year. Management will continuously assess the risk caused by the pandemic and make necessary adjustments where required so as to ensure the impact remains low

Financial Intelligence Centre

In terms of Treasury Regulations 31.3.3, unless exempted by the National Treasury, public entities that are listed in Schedules 3A of the PFMA must invest surplus funds with the Corporation for Public Deposits. National Treasury issued Instruction note 12 of 2020/2021 to guide public entities in the process of opening an account with the South African Reserve Bank. The FIC received a letter during April 2021 from the South African Reserve Bank, confirming the registration of a Corporation for Public Deposits account. 34.2 SARS The FIC is a Scheduled 3A Public Entity that has been exempted from the requirement to register for Income Tax and Value Added Tax (VAT).

SARS, subsequent to our reporting date, informed us that we might be liable for certain value added tax on imported services. As the FIC is exempted from VAT and not just a non-registered vendor, i.e. exempted from the responsibility to levy VAT or pay VAT over, the matter is under investigation.

South African Forestry Company Limited

Since December 2019, the spread of COVID-19 has severely affected the local and international economy. The pandemic resulted in the limitation and restriction of how the Group does and is able to do its normal business operations. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to the business. The Group embarked on scenario planning exercise to prepare itself for various scenarios. The Group continues to monitor developments. The impact of the pandemic is still unfolding and cannot be quantified. The Group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 March 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains.

Armaments Corporation of South Africa Limited (ARSMCOR)

Subsequent to the reporting date the process of the voluntary severance packages was concluded. This resulted in 107 employees accepting the offer, at a cost of R83 843 thousand to the Group.

Castle Control Board

National government extended the State of Disaster in May 2021. This will significantly affect the CCB revenues due to international embargo on tourists to and from South Africa. On 28 May 2021 the CCB

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

received an intention to lodge a High Court order from the trustees of the Castle Military Museum Foundation. This relates to the assets owned by the CMMF which the trustees want to remove from the Castle of Good Hope and donate to other institutions. The Board had engaged the trustees in an effort to ensure the assets are not removed from the Castle of Good Hope.

Public Protector of South Africa

(g) In the matter of President of RSA and Others v PPSA (BOSASA) judgment was handed down on 01 July 2021 against PPSA (there was no order as to costs). This a non-adjusting event.

(h) A section of the PPSA's Cape Town was on fire on the 29th July 2021, no staff member was injured and no official documents were lost as a result of the fire. The office building is leased through the Department of Public Works and the cause of the fire is unknown. The PPSA is still investigating and assessing the PPE items damaged, thus no financial estimate can be made at this stage.

(i) In the matter of PPSA v Speaker of the National Assembly judgment was handed down 28 July 2021 partly in favor of PPSA. No order as to cost was granted. This is a non-adjusting event. This appearance is not related to the interim relief granted as contingent liability, this the case on merits.

(j) In the matter of Ponatshego Mogaladi v Public Protector, an urgent application was argued in the labour Court

South African Human Rights Commission

There were no events that occurred after the reporting date for the year under review.

Covid-19 pandemic

The SAHRC has been able to maintain its operations under the lockdown restrictions and regulations announced by the South African government since the Covid19 pandemic hit the country. Furthermore, even with the revised risk adjustment for the economy and country there are no material matters after the reporting date for the SAHRC.

Independent Electoral Commission

The Electoral Commission announced that the national voter registration weekend ahead of the upcoming Local Government Elections will be held on 17 - 18 July 2021 for all 23 146 voting stations around the country.

The announcement of the registration weekend and the date of Local Government Elections are not adjusting post-balance sheet event.

On 22 April 2021 the President of the Republic of South Africa Cyril Ramaphosa announced that the Local Government Elections will be held on Wednesday 27 October 2021. The announcement allows the Electoral Commission and all other stakeholders to begin their preparations to ensure South Africa's sixth municipal council elections are free, fair and safe.

The impact of COVID-19 on the reported financial statements of the Electoral Commission has been considered and does not constitute an adjusting post-balance sheet event.

On 20 May 2021, the Commission announced the appointment of former Deputy Chief Justice Dikgang Moseneke

Represented Political Parties Fund

The Political Party Funding Act No 6 of 2018 came into effect on 1 April 2021. The Act establishes the Represented Political Party Fund to replace the Represented Political Parties' Fund, which was established by the Public Funding of Represented Political Parties Act 103 of 1997. The Represented Political Party Fund also came into effect on 1 April 2021. The coming into effect of the Represented Political Party Fund is not adjusting post-balance sheet event. The impact of COVID-19 on the reported financial statements of the Represented Political Parties' Fund has been considered and does not constitute an adjusting post-balance sheet event.

Construction Education and Training Authority

CETA's rental contract for the new premises was effective from 1 April 2021.

The Administrator swapped around the advisors fulfilling the roles of the Finance and one heading the Administrator's office. This was effected early May 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

Manufacturing Engineering and Related Services Education Tra

Application to National Treasury to seek approval for the retention of accumulated surpluses as at 31 March 2021 has been made.

On 27 May 2021 the Accounting Authority condoned irregular expenditure relating to security services amounting to R1,924 million and internal audit services amounting to R893 thousand. It also condoned fruitless and wasteful expenditure relating to the virtual stand amounting to R114 thousand and bank charges amounting to R3 thousand.

Market Theatre Foundation

The Market Theatre Foundation has remained committed to supporting government's efforts to combat Covid-19 and at the same time to find alternate ways online to serve the student communities at the Market Theatre Laboratory and Market PhotoWorkshop. Productions will continue unless the third wave of Covid-19 necessitates a lockdown. The Market plans its productions and training around the Covid-19 regulations. The pandemic has a material affect on the Market's ability to generate income, but we do all we can to keep the Market alive and to create jobs for artists.

Amazwi South African Museum of Literature

On 7 April 2021 Amazwi received R1 000 000 for DSAC: Schreiner House development. This receipt was received after the reporting date and has been classified as a Non-Adjusting Event.

National Museum, Bloemfontein

Re-organisation of the Botany and Herpetology Departments to create the Department of Animal and Plant Systematic, effective 01 April 2021.

Productivity SA

Management has assessed the financial impact to the entity of the Covid-19, the assessment included the testing of assets for impairment, recoverability of receivables as well as the impact on revenue. Management is convinced that the impact of Covid-19 will not result in an adjusting subsequent event for the period ending 31 March 2021 as revenue generated through external sources amounts to less than 9% of the entity's revenue generated.

The Covid-19 pandemic has created an opportunity for the entity to generate additional revenue as a result of the Business Turnaround and Recovery Program which is gaining traction as the impact of the pandemic is felt by most companies. This additional revenue will offset any potential future grant revenue reduction should the fiscus experience further constraints.

Public Service Sector Education and Training Authority

The performance bonus payment for the 2019/20 financial year was only approved in April 2021 and paid in May 2021.

Safety and Security Education and Training Authority

Condonation of irregular expenditure:

On May 2021, the National Treasury issued Circular 1 of 2021 clarifying that irregular expenditure in relation to non-compliance with SETA Grant Regulations will no longer be condoned by the Executive Authority but by the National Treasury. The impact of this circular is that all applications for condonation approved by the Minister of Higher Education, Science and Innovation have to be submitted to the National Treasury for condonation.

DHET communication on the appointment of members of the Accounting Authority:

On May 2021, the Department of Higher Education and Training issued a communication to SASSETA regarding non-compliance identified by the Auditor-General of South Africa in the appointment of members of the Accounting Authority. This matter was identified during the financial year-end under review, but was only finalised prior to submission of the Annual Financial Statement.

Supported Employment Enterprises

Legislative mandate

The Supported Employment Enterprise (SEE) is a Government Component under the Department of Employment and Labour (DEL) established in terms of Employment Services Act (ESA) to promote work and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

employment opportunities for persons with disabilities and is managed in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

SEE is trading as Service Products and is required to prepare its Annual Financial Statements in accordance with GRAP as per Accounting Standard Board (ASB) mandated in accordance with PFMA of 1999 (as amended by Act 29 of 1999).

Subsequent events assessment SEE and the rest of South Africa is still experiencing COVID-19 global pandemic and as a result lockdown restriction are still in place. The entity is currently functioning, but not at full capacity due to lockdown restrictions. SEE identified a gap in the market and started producing masks in expanding its product range in an attempt to increase revenue during this time COVID-19 global pandemic.

73 Service Concession Arrangements

The group operates a service concession for the generation and transmission of electricity through its operations in Uganda.

Eskom Uganda Ltd (Eskom Uganda) entered into an operation and maintenance agreement with Uganda Electricity Generation Company Ltd (UEGCL) in 2002, which is linked to a power purchase agreement concluded with Uganda Electricity Transmission Company Ltd (UETCL). In terms of the agreements, Eskom Uganda operates and maintains two hydro-electric power stations in Uganda, from which it supplies electricity to UETCL. The dams, powerhouses, related switchyard facilities, high voltage substations, land and movable property together constitute the energy assets in terms of the agreement. The concession period is 20 years (ending in March 2023).

Eskom Uganda is entitled to receive revenue from UETCL, based on electricity supplied at tariffs regulated by the Electricity Regulatory Authority of Uganda. It also receives a fee to cover it for investment in additional energy assets where required. This has been recognised as an intangible asset.

The plant remains the property of and will revert to UEGCL at the end of the concession period. At that point Eskom Uganda will have no further obligation in respect of the plant.

Service Concession Liability

<i>Debt securities and borrowings</i>	135 049	133 308
	135 049	133 308

Total Service concession liability

Current liability	135 049	133 308
Total Liability	135 049	133 308

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For the year ended 31 March 2021

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For the year ended 31 March 2020

74 Segment Reporting

2020/21

STATEMENT OF FINANCIAL POSITION

	CENTRAL	ECONOMIC	FINANCE	JUSTICE	SOCIAL	ELIMINATIONS	TOTAL
ASSETS							
Segment assets	151 690 571	1 066 505 177	2 242 688 428	9 602 959	276 499 667	(16 603 517)	3 730 383 285
Investment in associates (equity method)	-	46 090 448	3 816 491	-	5 829 974	-	55 736 913
Total ssets	151 690 571	1 112 595 625	2 246 504 919	9 602 959	282 329 641	(16 603 517)	3 786 120 198
LIABILITIES							
Segment liabilities	15 626 935	419 671 104	1 813 846 745	1 566 523	97 540 996	98 932 386	2 447 184 689
Total liabilities	15 626 935	419 671 104	1 813 846 745	1 566 523	97 540 996	98 932 386	2 447 184 689
OTHER INFORMATION							
Capital expenditure	2 749 041	20 954 088	57 052 292	225 781	1 447 460	378 207	82 806 869
Non cash items excluding depreciation and amortisation	(50 657)	(1 580 223)	106 131	(55 985)	(342 922)	(8 338)	(1 931 993)
Deferred Revenue	2 856 834	77 050 618	29 857 605	-	30 666	-	109 795 724

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For the year ended 31 March 2021

2019/20	CENTRAL	ECONOMIC	FINANCE	JUSTICE	SOCIAL ELIMINATIONS	TOTAL
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Segment assets	153 089 650	1 006 180 998	2 461 312 211	8 138 465	293 699 431	3 905 910 017
Investment in associates (equity method)	-	43 370 568	3 768 965	-	6 322 736	53 462 269
Total assets	153 089 650	1 049 551 566	2 465 081 176	8 138 465	300 022 167	3 959 372 286
LIABILITIES						
Segment liabilities	18 952 767	407 132 389	2 068 080 964	1 549 809	136 967 164	2 438 730 016
Total liabilities	18 952 767	407 132 389	2 068 080 964	1 549 809	136 967 164	2 438 730 016
OTHER INFORMATION						
Capital expenditure	3 234 242	23 440 656	60 391 254	158 107	1 404 640	88 628 898
Non cash items excluding depreciation and amortisation	(90 576)	(4 117 092)	905 446	92 791	(951 560)	(4 158 518)
Deferred Revenue	3 140 474	66 852 482	27 844 265	-	20 983	97 858 204

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For the year ended 31 March 2020

2020/21	STATEMENT OF FINANCIAL PERFORMANCE	CENTRAL	ECONOMIC	FINANCE	JUSTICE	SOCIAL ELIMINATIONS	TOTAL
	REVENUE						
	Revenue from non-exchange transactions	5 792 038	89 424 967	12 663 389	6 318 581	92 275 624	206 474 598
	Revenue from exchange transactions	13 496 193	100 762 273	289 983 521	1 046 473	10 296 824	415 585 284
	Inter-entity transfers	932	2 889 850	10 652 321	113 240	1 361 821	-
	Share of surplus/ (deficit) of associate	-	2 330 564	137 647	-	145 885	2 614 097
	Interest Revenue	475 636	15 334 731	23 149 028	284 337	13 601 897	52 845 629
	Total Segment Revenue	19 764 799	210 742 385	336 585 906	7 762 630	117 682 052	677 519 608
	EXPENSES						
	Employee related costs	(2 799 634)	(44 217 364)	(74 663 180)	(4 369 410)	(14 664 068)	(141 115 640)
	Depreciation and amortisation expense	(3 015 043)	(15 387 934)	(43 494 617)	(196 000)	(580 558)	(62 646 173)
	Other expenses	(11 360 610)	(117 143 455)	(175 307 833)	(1 623 621)	(102 007 116)	(397 553 003)
	Interest expenses	(8 734)	(14 134 669)	(57 772 739)	(680)	(1 415 915)	(71 629 299)
	Total segment expenses	(17 184 021)	(190 883 421)	(351 238 369)	(6 189 711)	(118 667 657)	(672 944 116)
	Total segment surplus/deficit	2 580 778	19 858 964	(14 652 463)	1 572 919	(985 605)	4 575 492
	Other unallocated revenue						(10 582 714)
	Unallocated expenses						11 219 063
	Surplus/Deficit for the period						636 348
	Reconciliation of the above surplus and the surplus as disclosed in the CFS						
	Surplus/Deficit for the period per segment report						5 211 840
	Reversal of inter segment expenses eliminated						(11 219 063)
	Other items not included in the segment						(68 817 053)
	TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX AS PER CFS						(74 824 275)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

2019/20	STATEMENT OF FINANCIAL PERFORMANCE	CENTRAL	ECONOMIC	FINANCE	JUSTICE	SOCIAL ELIMINATIONS	TOTAL
	REVENUE						
	Revenue from non-exchange transactions	5 865 373	90 318 447	11 216 438	6 242 730	98 908 525	212 551 513
	Revenue from exchange transactions	15 711 543	115 564 021	291 807 127	1 167 145	20 065 808	444 315 644
	Inter-entity transfers	4 247	4 423 158	10 680 186	122 767	1 689 199	(16 919 557)
	Share of surplus/ (deficit) of associate	-	1 422 511	310 516	-	279 674	2 012 701
	Interest Revenue	459 418	16 726 021	27 679 653	361 780	21 145 732	66 372 604
	Total Segment Revenue	21 581 163	211 728 137	314 014 267	7 532 642	120 943 205	725 252 462
	EXPENSES						
	Employee related costs	(2 752 612)	(43 463 615)	(73 152 858)	(4 424 132)	(13 929 274)	(134 175 672)
	Depreciation and amortisation expense	(2 857 524)	(15 951 409)	(45 636 182)	(191 381)	(653 417)	(65 307 302)
	Other expenses	(12 021 346)	(135 780 603)	(155 780 128)	(2 365 962)	(136 061 732)	(430 757 011)
	Interest expenses	(84 849)	(14 297 569)	(63 657 278)	(912)	(3 071 613)	(81 019 134)
	Total segment expenses	(17 716 331)	(209 493 195)	(338 226 446)	(6 982 387)	(153 716 035)	(711 259 119)
	Total segment surplus/deficit	3 864 832	2 234 941	(24 212 179)	550 255	(32 772 830)	13 993 344
	Other unallocated revenue						(12 895 051)
	Unallocated expenses						14 875 277
	Net Surplus/Deficit for the period						1 980 226
	Reconciliation of above surplus with surplus disclosed in the CFS						
	Surplus/Deficit for the period per segment report						15 973 570
	Reversal of inter segment expenses eliminated						(14 875 277)
	Other items not included in the segment						49 949 690
	TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX AS PER CFS						51 047 983

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

75 Risk Management

Risks associated with the financial instruments of the public entities included in this consolidation are managed on an individual entity level in line with the requirements of the PFMA. In this note we describe the general high-level practices employed by entities in managing the risks that they are exposed to as a result of their financial instrument holdings.

Maximum credit risk exposure

The public entities included in this consolidation are exposed to credit risk mainly as a result of holding cash equivalents, long term receivables, finance lease receivables and trade receivables. To manage the credit risk that the entities are exposed as a result of holding these classes of financial assets the following steps are generally taken. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

A. CASH AND CASH EQUIVALENTS

Public entities bank with major banks with high credit standing. Furthermore, the cash holdings with banks are spread amongst a variety of banks to reduce the concentration of their credit risk exposure. The minimum counterparty credit rating for placing deposits and investing in government bonds is 'A' by Standard & Poor's or its Moody's or Fitch's rating equivalents, while the minimum rating for investments in corporate bonds is 'AA-'. The rating of certain investment securities were below 'A' at year-end due to downgrading of instruments or institutions by the rating agencies and due to the tightening of investment guidelines by the Bank, which resulted in passive breaches on some of the financial assets in the Bank's portfolios.

B. TRADE RECEIVABLES

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the individual boards of directors of each of the public entities. The utilisation of credit limits is regularly monitored. Credit guarantee insurance is purchased when deemed appropriate.

C. FINANCE LEASE RECEIVABLES

The exposure to credit risk arising from finance lease receivables is limited by using the underlying assets of the finance leases as collateral. Also, finance lease receivables comprise a widespread customer base to reduce the concentration of credit risk exposure.

D. LONG TERM RECEIVABLES

Long term receivables consist exclusively of loans and advances made to the employees of participating public entities. Repayment of these receivables is ensured through properly authorised payroll deductions. Where an employee leaves the services of the public entity the remaining balance is deducted from the employee benefits payable to the employee in accordance with the loan agreements signed with the employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

75.1 Financial Assets carried at Amortised Cost

	2020/21 R '000	2019/20 R '000
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The financial assets carried at amortised cost expose the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets at amortised cost:

Cash and cash equivalents	284 430 173	222 701 504
Trade and other receivables from exchange transactions	66 534 088	69 106 268
Other receivables from non-exchange transactions	10 382 781	9 155 053
Other current financial assets	891 446 277	1 165 366 310
Current Investments	42 989 829	43 370 756
Construction contracts and receivables	108 490	221 474
Finance lease receivable	691 714	673 244
Non-current receivables from exchange transactions	23 813 303	19 608 824
Non-Current Investments	363 616 666	359 315 559
Other non-current financial assets	51 281 322	65 265 893

75.2 Collateral held and other credit enhancements

The credit risk exposure, as posed by the financial assets held at amortised cost detailed above, is further mitigated by the collateral held in relation to these instruments:

Bank - collateral held	24 199 122	25 739 561
Financial guarantees	627 793	636 954
Trade and other receivables	27 007 409	22 209 973
Other	10 543 882	11 027 919

75.3 Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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For the year ended 31 March 2020

2020/21	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Gross finance lease obligations	96 839	466 286	2 720 193	11 292 943
Borrowings	367 214	9 212 527	96 582 646	362 238 460
Trade and other payables	10 083 772	48 034 689	17 182 538	14 249 507
Bank overdraft	919 741	-	17	-
Other	916 731 033	16 215 821	25 198 585	6 253 560

2019/20	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Gross finance lease obligations	113 630	470 829	2 987 281	11 181 209
Borrowings	1 240 208	8 969 673	131 191 341	432 050 945
Trade and other payables	25 998 370	6 960 178	59 503 967	20 782 660
Bank overdraft	2 604 911	(32)	1 803 461	-
Other	1 098 344 321	9 905 100	17 956 294	6 814 862

75.4 Collateral held and other credit enhancements

The entity holds the following collateral and / or credit enhancements that aid in the mitigation of the liquidity risk it is exposed to:

Pledged collateral

1 403 144	1 063 048
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75.5 Interest rate risk

The public entities included in this consolidation are exposed to interest rate risk as a result of interest bearing bank accounts. At year end, financial instruments exposed to interest rate risk were as follows:

Call deposits: With the exception of South African Government bonds, the rand-denominated financial assets and liabilities of the Bank respectively earn and bear interest at rates linked to South African money-market rates. The level of these rates is closely linked to the Bank's repurchase (repo) rate, which is set by the Monetary Policy Committee (MPC). The re-pricing of these assets and liabilities, therefore, occurs at approximately the same time as changes to the repo rate are announced by the MPC.

Notice deposits: The Bank is exposed to interest rate risk in respect of its foreign investments. The risk tolerance and return expectations in respect of these financial instruments are embodied in the strategic asset allocation approved by the Reserves Management Committee (Resmanco) and the risk budget approved by the GEC.

Finance lease obligations: The majority of the finance leases entered into by the public entities is subject to variable interest rates linked to the prime rate of interest in South Africa.

Long term loans: These loans are obtained from a variety of sources and consist of a mixture of variable interest rate loans and fixed rate loans. This mixture of fixed and variable rate loans are intended to offset the overall exposure to variability in interest rates on an entity-by-entity basis.

Bank overdraft: These borrowings are obtained exclusively at variable interest rates from the major banks in South Africa.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

75.6 Credit quality of financial assets carried at amortised cost

Method of determining credit quality of other non-current financial assets

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to credit ratings obtained, for the customers included in the balance, from external credit ratings agencies.

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to historical payment trends. Accordingly the credit quality of the customers included in the balance of trade and other receivables from exchange transactions is determined internally through application of the entity's own credit policy. Based on the evaluation of the historical payment trends, customers included in the balance are categorised into the following:

High credit quality - Customers included in this category have evidenced no defaults or breaches in the contractual repayments.

Medium credit quality - Customers included in this category are prone to late payments, but seldom default on the entire balance owing.

Low credit quality - Customers included in this balance includes customers that frequently default on their outstanding balances and breach contract.

Other method - Any other method applied to evaluate the credit quality.

76	Principal-agent arrangements	2020/21 R'000	2019/20 R'000
76.1	Entity acting as the principal		Fee Paid
	<i>Fee paid as compensation to the agent</i>	1 290 662	314 981
	<i>TVET College Infrastructure Development project (DHET)</i>	1 096 296	1 003 190
	<i>Nationa Student Financial Aid Scheme NSFAS)</i>	500 370	1 032 259
	<i>National Research Foundation (NRF)</i>	8 333	139 702
	<i>DHET International Scholarship</i>	20 930	74 950
	<i>Rand West Local Municipality and Agricultural Sector</i>		
	<i>edducation, Training Authority (Agriseta)</i>	7 808	7 383
	<i>Thembisile Hani Local Municipality</i>	118	1 895
	<i>University of Stellenbosch - The CHE at the request of the</i>		
	<i>Minister of Higher and UNESCO IHE</i>	1 031	390
	Total	2 925 548	2 574 750
76.2	Entity acting as the agent	2020/21 R'000	2019/20 R'000
76.2.1	Revenue received for agency activities		
	<i>List of the entities which received amounts for agency duties</i>		
	<i>Government Employees Pension Fund and Management</i>		
	<i>fees</i>	2 825 284	3 580 067
	<i>National Treasury (Programme 7)</i>	255 971	243 417
	<i>Temporary Employees Pensions Fund</i>	214 483	23 206
	<i>Associated Institutions Pension Fund</i>	4 911	6 031
	<i>Department of Public Works - Energy</i>	59 743	-33
	<i>Gert Sibande District Municipa</i>		594
	<i>Independent Power Producers Procurement Programme- DBSA</i>	54 431	30 994
	<i>Employment Creation Facilitation: Implementation of the Jobs</i>		
	<i>Fund on behalf of National Treasury</i>	516 552	561 890
	<i>Neighbourhood Development Programme - National Treasury</i>	61 117	47 164
	<i>eThekwini Municipality</i>	7 508	1 559
	<i>South African Police Services</i>		2 304
	Total	4 000 000	4 497 194

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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76.2.2 Reconciliation of funds and disbursements 2020/21	Total funds received	Expenditure incurred against funds
	R'000	R'000
<i>Administration Fees</i>	1 461 485	839 395
<i>Funding received</i>	3 551 075	(41 435)
<i>Interest, foreign exchange and other movements</i>	195 964	(416 953)
<i>Funds disbursed</i>	1 857	(2 987 655)
<i>Neighbourhood Development Programme - National Treasury</i>	61 810	1 054
<i>Independent Power Producers Procurement Programme- DBSA</i>	54 632	119 442
<i>Employment Creation Facilitation: Implementation of the Jobs Fund on behalf of National Treasury</i>	516 487	648 672
<i>Neighbourhood Development Programme - National Treasury</i>	61 117	60 987
<i>eThekweni Municipality</i>	7 508	7 508
Total	5 911 934	(1 768 985)

Reconciliation of funds and disbursements 2019/20	Total funds received	Expenditure incurred against funds
	R'000	R'000
<i>Administration Fees</i>	1 561 972	739 120
<i>Funding received</i>	4 529 642	(76 982)
<i>Interest, foreign exchange and other movements</i>	168 984	18 016
<i>Funds disbursed</i>	3 476	(4 253 141)
<i>Independent Power Producers Procurement Programme- DBSA</i>	3 186	2 304
<i>Employment Creation Facilitation: Implementation of the Jobs Fund on behalf of National Treasury</i>	564 199	413 311
<i>Independent Power Producers Procurement Programme- DBSA</i>	30 982	97 801
<i>Neighbourhood Development Programme - National Treasury</i>	47 164	46 457
<i>Office of the Accountant-General - National Treasury</i>	148 577	139 568
Total	7 058 183	(2 873 545)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

76.2.3 Reconciliation of carrying amount of receivables and payables – 2020/21

	Opening balance	Revenue principal is entitled to	Less: Write offs/settlement s/waivers	Cash received on behalf of principal	Closing balance
	R '000	R '000	R '000	R '000	R '000
Receivables	61 663 844	65 071 815	-	(101 102 833)	227 838 491
Payables	(249 679 064)	291 659 301	(539 730 607)		581 710 845

Reconciliation of carrying amount of receivables and payables – 2019/20

Receivables	60 211	115 145	-	(162 441)	337 798
Payables	601 591	1 180 683	50 498		1 731 776

77 Related Party Relationships

Constitutional Institutions, Schedule 2, 3A and 3B Public Entities and Trading Accounts

Transactions and balances 2020/21

	Transactions	Balances/ Commitments	Provisions for doubtful debts	Bad/ Doubtful debts
Controlling entities	25 811 881	(145 056 247)	(275 949)	-
Entities with joint control or significant influence over another entity	(49 249 827)	82 619 086	(2 807 984)	-
Controlled entities	415 772	2 855 332	(190 656)	-
Associates	446 332	67 719 698	-	-
Joint ventures in which the entity is a venturer	(3 823 284)	360 446	707	7
Management	948 484	1 172 925	-	5 213
Other related parties	41 410 389	(119 344 142)	(232 864)	263 526

2019/20

	Transactions	Balances/ Commitments	Provisions for doubtful debts	Bad/ Doubtful debts
Controlling entities	41 578 746	(697 171 604)	(80 754)	85
Entities with joint control or significant influence over another entity	10 996 690	28 317 032	(3 097 317)	-
Controlled entities	1 557 615	(27 363 356)	44 897	-
Associates	430 917	65 995 757	25	-
Joint ventures in which the entity is a venturer	(3 716 422)	381 173	275	-
Management	15 274	(17 869)	-	3 787
Other related parties	45 116 100	(113 800 557)	(31 145)	203 264

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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78 Financial Sustainability

Government expenditure has for the past few years exceeded its revenue base. This fiscal position began to develop in the wake of the 2008 financial crisis. GDP growth did not recover to pre-2008 levels following the crisis and South Africa fell behind other emerging economies. This decade long decline in South Africa's GDP growth together with the COVID-19 pandemic has magnified South Africa's social and economic crises of poverty and unemployment.

The COVID-19 pandemic led to a historic economic contraction and an unprecedented widening of the budget deficit and a spike in the stock of debt. Government debt has increased seven-fold from R577 billion in 2007/08 to over R4 trillion in 2021/22. A larger stock of debt means that interest payments absorb a growing share of national resources averaging about 5 per cent of GDP over the next two years. In addition, government will pay more approximately 21c of every Rand collected in revenue per year, over the next three years. This will make it very difficult for government to direct the much-needed funds to address the deeply entrenched poverty and unemployment.

The economy has recovered more quickly than anticipated. Nevertheless, the recent spike in commodity prices, which has supported GDP growth and tax revenues, is considered temporary. Long-term structural constraints and scarring from the effects of the pandemic weigh on the outlook. Fiscal risks have increased.

South Africa's economy is expected to grow by 5.1 per cent in 2021, following a 6.4 per cent contraction in 2020. Over the medium term, economic and fiscal policy balance the need to restore jobs and support businesses, protect vulnerable groups, and implement a series of reforms needed to promote faster GDP growth.

Fiscal consolidation is critical to reduce the public debt burden, restore investor confidence and avoid overexposure to global and domestic risks. The MTBPS proposes to maintain restraint in public expenditure. Government will not commit to new long-term spending in response to temporary revenue windfalls. No additional funding is provided to state-owned companies over the medium-term.

Government remains committed to reducing the budget deficit and stabilising the debt-to-GDP ratio. Government will use part of the higher tax revenues associated with the recent commodity price surge to narrow the deficit, while increasing non-interest expenditure to support economic growth, job creation and social protection, and cover the higher costs of the public-service wage agreement.

Staying the course will enable government to bring fiscal consolidation to a close at the end of the forthcoming MTEF period, in 2024/25. The consolidated deficit will narrow from 7.8 per cent of GDP in 2021/22 to 4.9 per cent of GDP in 2024/25. Debt is expected to stabilise at 78.1 per cent of GDP by 2025/26, down from 88.9 per cent at time of the 2021 Budget. Debt stabilisation will greatly support recovery of the South African economy by reducing the cost of capital.

In line with government's commitment to support vulnerable households, particularly given the impact of COVID-19, additional resources for social relief will be considered, if the fiscal situation improves by February 2022. Over the next three years, spending will remain restrained. To avoid a widening of the budget deficit, changes to spending will be funded through improved revenue performance or through reprioritisation and reviewing existing programmes. Infrastructure projects will be financed through the Infrastructure Fund, using public-private partnerships and other funding arrangements to improve planning and speed up delivery.

Barring major new shocks or unbudgeted spending commitments, staying the course will lead to a primary fiscal surplus in 2024/25, bringing an end to fiscal consolidation at the end of the MTEF period. This consolidation will be supported by structural reforms to unlock private-sector investment and job creation.

South Africa strive towards a "better live for all". This can only be done in a fast-growing economy where investments increase, businesses will innovate and hire workers and people can earn an income. This will enable government to shift expenditure away from consumption towards growth-enhancing investment. Therefore, to maximise the value of spending, government needs to contain costs, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

79 Exemptions and Departures

Section 92 Exemption

The Minister of Finance granted exemption in terms of Section 92 of the PFMA for the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated AFS for national departments and public entities. Due to the significantly different accounting bases being applied (modified cash and accrual), the Minister has now allowed the National Treasury to prepare separate sets of consolidated financial statements for departments and public entities respectively.

The reason for all departures and exemptions granted was to achieve fair presentation, and Management has concluded that the consolidated financial statements fairly present the primary and secondary information as required by GRAP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020



CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

**NATIONAL
REVENUE FUND**

ACCOUNTING OFFICER'S APPROVAL

For the year ended 31 March 2021

The National Revenue Fund Financial Statements are prepared on the going concern basis. They are based on accounting policies which have been consistently applied and supported by reasonable and prudent judgements of estimates. The National Revenue Fund Financial Statements have been approved by the Acting Accountant-General on 03 December 2021.



Karen Maree

Accounting Officer

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

■ Mandate

In terms of section 11 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) the National Treasury is responsible for the National Revenue Fund and must enforce compliance with the provisions of section 213 of the Constitution, namely that-

- a) All money received by the national government must be paid into the fund, except money reasonably excluded by this Act or another Act of Parliament; and
- b) No money may be withdrawn from the Fund except-
 - i) in terms of an appropriation by an Act of Parliament; or
 - ii) as a direct charge against the Fund, provided for in the Constitution or the Act, or in any other Act of Parliament provided the direct charge in such a case is listed in Schedule 5.

Section 11(3) of the PFMA, requires money that must be paid into the National Revenue Fund is paid into the Fund by depositing it into a bank account of the Fund in accordance with the requirements that may be prescribed. In this regard Tax and Loan accounts are held at the Commercial Banks and at other accounts at the South African Reserve Bank.

■ Revenue

Section 12 of the PFMA, requires the South African Revenue Services must promptly deposit into the National Revenue Fund all taxes, levies, duties, fees and other moneys collected by it in accordance with a framework determined by the National Treasury.

South Africa's tax system forms part of the foundation of the country's public finances. Over the past two decades South Africa has built a progressive tax system founded on the principles of equity, efficiency, simplicity, transparency and certainty.

Road Accident Fund, Unemployment Insurance Fund and SETAs funds are collected by SARS and are refunded to the institutions on a monthly basis. Transfers to a member of the South African Customs Union are made on a quarterly basis. This is shared between South Africa, Botswana, Lesotho, Namibia and Swaziland.

Other sources of revenue are departmental receipts known as departmental revenue, national revenue fund receipts and other revenue which mainly consists of unused conditional grants and revenue received from entities.

■ Expenditure

Section 15(1) of the PFMA states that only the National Treasury may withdraw money from the National Revenue Fund, and may do so only-

- a) to provide funds that may have been authorised-
 - i) in terms of an appropriation by an Act of Parliament; or
 - ii) as a direct charge against the National Revenue Fund provided for in the constitution or this Act, or in any other Act of Parliament provided the direct charge is such a case is listed in Schedule 5;
- b) to refund money invested by a province in the National Revenue Fund; or
- c) to refund money incorrectly paid into, or which is not due to, the National Revenue Fund.

In terms of section 27(1) the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year or, in exceptional circumstances, on a date as soon as possible after the start of that financial year as the Minister may determine.

The medium-term expenditure framework establishes a predictable budget process that is open to public scrutiny. Over this period government is preparing the ground between the rate of economic growth and the affordability of social programmes.

■ Funding of the deficit

Section 11(5) of the PFMA, requires the National Treasury to ensure that there is at all times sufficient money in the National Revenue Fund. In this regard the deficit is funded in terms of section 66(2)(a) of the PFMA by the Asset and Liability section within the National Treasury.

Government's flexible debt management strategy ensures that additional borrowing minimises interest and repayment risks. These considerations are necessary to maintain a stable debt portfolio and

ACCOUNTING OFFICER'S REVIEW

For the year ended 31 March 2021

avoid burdening the country with repayment obligations for many years to come.

South Africa's borrowing strategy is sufficiently responsive to withstand long-term adjustments in global and domestic capital allocations and short term market shocks. Debt levels remain sustainable with a long maturity structure and exposure to foreign currency liabilities remains low, reducing the impact on global volatility.

■ Accounting standards

On a drive to improve public accountability, there is a transition in progress from reporting on the modified cash basis of accounting to reporting on the accrual basis of accounting. Under the modified cash basis of accounting, transactions and other events are recognised when cash is received or paid, while provision is made in the annual financial statements (AFS) for provisions, accruals, contingent liabilities and so on.

With effect from 2013/14, as part of the cash-to-accrual process, the OAG developed and published the Modified Cash Standard (MCS) which sets out the principles of the modified cash framework in a format ordinarily used by other public sector accounting standard setters such as Accounting Standards Board (ASB). The National Treasury guide on accounting for the Revenue Fund provides detailed guidance on the principles stated in the MCS.

This Accounting Officer's Review includes an Executive Summary and Review of Operating Results. The review of operating results reflects monetary values presented in accordance with Treasury Regulation 18.2. It is also a descriptive report clarifying the amounts presented.

EXECUTIVE SUMMARY

For the year ended 31 March 2021

The COVID-19 pandemic is far-reaching and will likely be long lasting. The global economic outlook is uncertain but additional policy stimulus packages and successful rollout of COVID-19 vaccines will boost global growth. The successful rollout of COVID-19 vaccines will support the economic recovery and global trade.

Unemployment increased reaching 30.8 per cent in the third quarter of 2020. Real economic growth is projected at 3.3 per cent in 2021, from a contraction of -7.2 per cent in 2020. Growth is forecast to moderate to 2.2 per cent in 2022. Fiscal position, which was already weak before the current crisis, has deteriorated sharply requiring urgent step to avoid a debt spiral.

Fiscal policy continues to focus on short term economic support, pro-growth fiscal consolidation and debt stabilisation. Government's balances and prudent fiscal strategy is designed to stabilise the public finances. Government will take steps to promote faster growth by stabilising electricity supply, supporting industries with high employment potential and undertaking partnerships with the private sector.

Compared with the 2020 budget, main budget non-interest expenditure will be reduced by R264.9 billion of 4.6 per cent of GDP over the MTEF (Medium Term Expenditure Framework) period. Tax revenue estimates for 2020/21 are R213.2 billion below the 2020 budget estimate. Revenue growth is expected to be slow over the medium term. The fiscal framework reduces growth in the wage bill and the share of spending on wages sustaining real spending increases on capital payments, specifically for building and other fixed structures.

Debt is not projected to stabilize over the medium term, and debt-service costs now absorb 19.2 per cent of main budget revenue. Funds that could be spent on economic and social priorities are being redirected to pay local and overseas bondholders. Public wage bill also needs to be contained.

South Africa faces severe economic challenges. Real GDP per person has been falling since 2013/14, meaning that the average South African is becoming poorer, despite high and rising fiscal deficit. Over the past decade increased government spending has failed to promote growth. Waste and inefficiency reduce the impact of development and become a glaring problem in the context of limited state

resources. Over the next several years, the country requires the implementation of longstanding

structural reforms to sustainably move to a higher growth path.

The financial performance of state-owned companies deteriorated. The Land Bank defaulted on its debt and several other companies are at risk of default. Denel, Eskom and South African Airways remain reliant on state support, including guarantees that enable them to access funding.

To change the negative risk outlook to a positive outlook the South African public needs to be vaccinated at large to limit the impact of the new waves of COVID-19 infections and associated disruptions to economic activity. Persistent electricity supply problems pose the most serious risk to growth. Unreliable electricity supply continues to throttle economic activity. Therefore, getting economic recovery and a stable supply of electricity are the government's top priority.

Without implementation of structural reforms, private investment and economic growth are likely to grow slowly. Additional risk stems from years of low growth and rising public debt. These trends have raised the cost of borrowing and contributed to the rands divergence from otherwise improving emerging market currencies against the US dollar.

Further deterioration in the public finances would raise the risk of additional credit rating downgrades, which would increase borrowing costs and hamper governments investment.

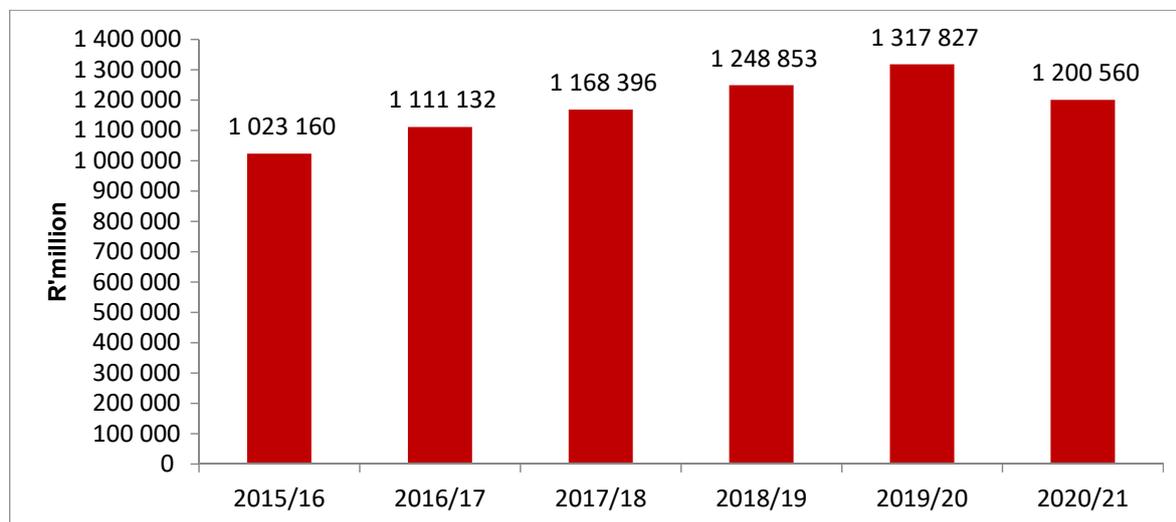
REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Taxes, Levies & Duties	1 201 452	1 279 007	1 358 259	1 430 427	1 322 857
Less: South African Customs Union Agreement	39 448	55 951	48 289	50 280	63 395
Less: Payment to UIF	16 108	16 614	17 420	18 205	16 715
Less: Amount payable by SARS to UIF	1 719	1 657	1 697	1 896	1 681
Less: Payment to RAF	33 545	36 048	41 890	42 633	40 560
Less: Amount payable by SARS to RAF	(500)	341	110	(414)	(54)
Net Revenue for the Year	1 111 132	1 168 396	1 248 853	1 317 827	1 200 560
Movement in SARS revenue	9%	5%	7%	13%	-9%

Revenue

South African Revenue Services (SARS) income decreased by 9 per cent in 2020/21 (2019/20:13 per cent).



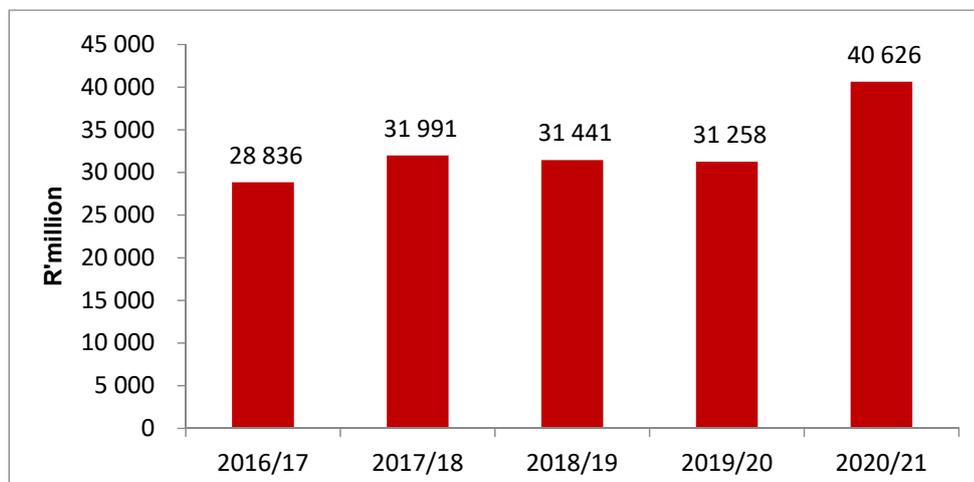
Other main sources of income are departmental revenue, inclusive of National Revenue Fund receipts. This amounts to R36 billion for the 2020/21 financial year. The increase in other revenue of 30 per cent for the 2020/21 financial year is mainly due to an increase in Departmental Revenue. For the full detailed analysis of what departmental revenue consist of refer to note 1.2 of the Notes to the Annual Financial Statements for the National Revenue Fund.

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Departmental revenue	25 949	26 671	24 063	26 811	36 135
Other surrenders	1 170	3 886	4 562	2 808	2 689
Other revenue received	1 717	1 434	2 816	1 640	1 802
Total revenue	28 836	31 991	31 441	31 258	40 626
Movement in other revenue	-47%	11%	-2%	-2%	30%

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Other Revenue excluding CARA

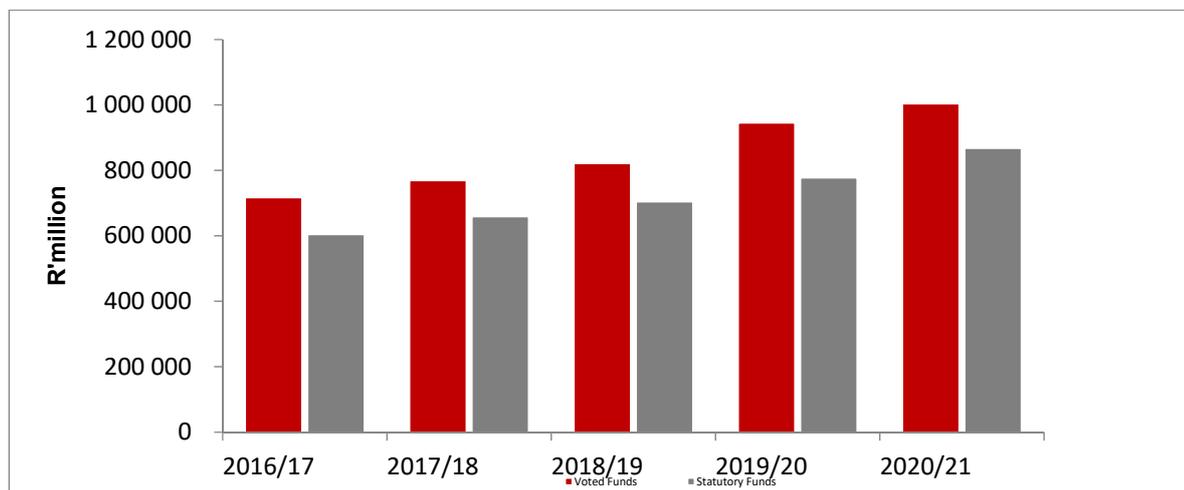


Expenditure

Net Appropriation increased by 9 per cent in 2020/21 (2019/20: 13 per cent)

Year Ended 31 March R' million	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Voted Funds	716 634	768 848	820 904	945 187	1 004 428
Statutory Funds*	604 261	658 594	703 946	777 429	866 712
Net Appropriation	1 320 895	1 427 442	1 524 850	1 722 616	1 871 141
Movement in net appropriation	5%	8%	7%	13%	9%

*Included in Statutory Funds is National Revenue Fund payments.



REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

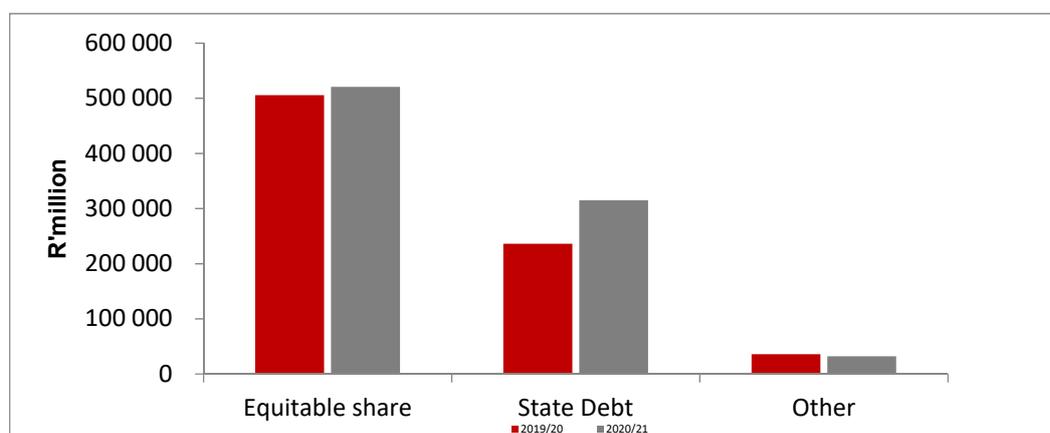
Statutory Funds

Statutory Funds <i>R' million</i>	Actual 2019/20	Actual 2020/21
Equitable share	505 554	520 717
State Debt	236 195	314 718
Other	35 680	31 278
Total	777 429	866 712

Statutory Net Appropriation includes Provincial equitable share, Debt-service costs, National Revenue Fund Payments and other salaries that are a direct charge against the National Revenue Fund.

The Provincial equitable share is transferred to provinces to perform functions at the provincial sphere of government. This amounts to 60 per cent in 2020/21 (2019/20: 65 per cent) of the total statutory budget.

Debt service costs consist mainly of interest paid on government debt. This amounts to 36 per cent in 2020/21 (2019/20: 30 per cent) of the total statutory budget.



Assets

Cash and Cash Equivalent <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Cash and equivalent	216 768	224 630	217 568	251 690	310 096
Movement in cash and cash equivalent	1%	4%	-3%	16%	23%

Cash and cash equivalents amount to R310 billion. Total cash includes deposits held at South African Reserve Bank (SARB) and commercial banks. Operational cash to finance the borrowing requirement is held in the tax and loan accounts with the four commercial banks and in the foreign currency accounts with the SARB. The table below reflects the breakdown.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Break down of cash balances <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Commercial banks					
<i>Tax and Loan account</i>	41 739	58 623	37 754	35 845	175 136
South African Reserve Bank					
Cash with SARB	67 157	67 157	57 157	67 157	41 157
Foreign Currency Investment	106 649	101 947	122 541	148 196	93 263
Other	1 223	(3 098)	115	491	540
Total Cash and cash equivalents	216 768	224 630	217 568	251 690	310 096

Non-current Investments

Investments <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Investments	190 038	193 239	253 331	337 860	311 021
Movement in Investments	-3%	2%	31%	33%	-8%

Total investment decreased to R311 billion for the current year. This is a 8 per cent decrease for 2020/21 against a 33 per cent increase in the prior year. The table below reflects the investment held by government for the past two years.

Investments <i>R' million</i>	Actual 2019/20	Actual 2020/21
International Monetary Fund quota subscription	74 503	63 987
African Development Bank	71 385	59 041
International Bank for Reconstruction and Development	38 494	32 281
International Monetary Fund SDR Holding	36 554	31 403
New Development Bank		
Paid up Shares	23 258	24 416
Callable Shares	93 033	97 663
International Finance Corporation	312	1 965
Multilateral Investment Guarantee Agency	322	266
Total	337 860	311 021

Liabilities

Non-current liabilities

Multilateral Institutions <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Multilateral Institutions	176 837	177 874	227 209	307 747	334 944
Movement in Multilateral Institutions	-4%	1%	28%	35%	9%

The balance presents the callable portion of South Africa's subscription in the various multilateral institutions. The total liabilities in multilateral institutions increased to R335 billion for the current year. This is a 9 per cent increase for 2020/21 against a 35 per cent increase in the prior year. The table below reflects Non-Current Liabilities held by government for the past two years.

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

Multilateral Institutions <i>R' million</i>	Actual 2019/20	Actual 2020/21
IMF-Securities Account	68 179	114 298
New Development Bank	93 033	97 663
African Development Bank	66 509	55 009
IMF-SDR Allocations	43 595	37 442
International Bank for Reconstruction and Development	36 169	30 317
Multi- Lateral Investment Guarantee Agency	261	216
Total	307 747	334 944

Current and non-current borrowings

Borrowings <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Current Borrowings	326 832	328 462	406 957	428 447	516 368
Non-Current Borrowings	1 906 011	2 161 227	2 381 332	2 832 896	3 419 333
Total	2 232 843	2 489 689	2 788 289	3 261 343	3 935 702
Movement in Borrowings	11%	12%	12%	17%	21%

Government gross borrowing requirements are financed through the issuance of domestic short term, long term and foreign loans. Domestic loans consist mainly of treasury bills, fixed rate and inflation linked bonds. The total gross debt figure increased to R3 935 billion for the current year. This is a 21 per cent increase for 2020/21 against a 17 per cent increase in the prior year. The table below reflects the breakdown between local and foreign debt:

National Government Debt <i>R' million</i>	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21
Domestic debt	2 020 089	2 271 877	2 496 976	2 874 118	3 543 266
Foreign debt	212 754	217 812	291 314	387 225	392 434
Total	2 232 843	2 489 689	2 788 290	3 261 343	3 935 702

The table below reflects the reconciliation of the deficit per National Revenue Fund to the budget review.

Net Surplus/(Deficit) reconciliation

Reconciliation to Deficit as reflected in 2020	Revised Estimate	Audited outcome NRF	Audited outcome Budget Review 2019/20
R'million	2020/21	2019/20	2019/20
Surplus/(Deficit) per Income Statement (NRF)	(662 206)	(446 465)	(294 326)
Revaluation gains/(losses)	29 156	77 444	51 699
Movement on National Treasury Financial Instruments	3 030	(4 498)	(1 897)
Increase/(Decrease) in revenue	103 610	(73 815)	(5 024)
Movement in Annual Appropriation: Net Financing	188 836	215 887	18 121
Other receipts:			
Recovery of criminal assets	(86)	(160)	(168)
Other payments:			
Recovery of criminal assets	151	147	137
Expenditure in terms of an Act of Parliament	-	-	-
Surplus/Deficit per Budget Review	(337 508)	(231 459)	(231 457)
GDP as per Budget Review	5 157 347	4 921 494	4 921 494
Surplus/(Deficit) as percentage of GDP	(6.5)	(4.7)	(4.7)

REVIEW OF OPERATING RESULTS

For the year ended 31 March 2021

CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

**REPORT OF THE
AUDITOR-GENERAL
TO PARLIAMENT ON THE
NATIONAL REVENUE
FUND**

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Report of the auditor-general to Parliament on the National Revenue Fund

Report on the audit of the Financial statements

Opinion

1. I have audited the financial statements of the National Revenue Fund set out on pages 286 to 314, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Revenue Fund as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are

relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited supplementary schedules

7. The supplementary information set out on pages 315 to 348 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion on them.

Responsibilities of accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the National Revenue Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the National Revenue Fund or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Other information

12. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
13. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
14. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
15. I have nothing to report in this regard.

Internal control deficiencies

16. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.
17. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

7 December 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 National Revenue Fund’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or

conditions that may cast significant doubt on the ability of the National Revenue Fund to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause the National Revenue Fund to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.
5. I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. I describe these

REPORT OF THE AUDITOR-GENERAL

For the year ended 31 March 2021

matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 March 2021

The Financial Statements have been prepared in accordance with the following accounting policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, (Act 1 of 1999) as amended by Act 29 of 1999, and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2009.

1. Presentation of the Financial Statements

1.1 Reporting Entity

The National Revenue Fund was established in terms of the Constitution of the Republic of South Africa (Section 213 of Act No. 108, 1996) into which all money received by the national government must be paid except money reasonably excluded by an Act of Parliament. Money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament or as a direct charge against the National Revenue Fund, when it is provided for in the Constitution or an Act of Parliament. A province's equitable share of revenue raised nationally is a direct charge against the National Revenue Fund.

1.2 Going concern

The National Revenue Fund was established in terms of the Constitution of the Republic of South Africa, 1996. The financial statements of National Revenue Fund are prepared on a going concern basis.

1.3 Basis of preparation

The Financial Statements have been, unless otherwise indicated, prepared on the modified cash basis of accounting in accordance with the under mentioned policies which have been applied consistently in all material respects. The modified cash basis of accounting for the National Revenue Fund comprise of the Modified Cash Standard which

includes a chapter on Treasury Financial Instruments.

Near-cash balances are all recognised. This includes the revaluation of foreign and domestic investments and loans. The recognition thereof results in revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

Unless otherwise stated, accounting policies adopted are consistent with those of the previous financial year.

1.4 Rounding and Presentation currency

All amounts are rounded to the nearest one thousand rands (R'000). All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the National Revenue Fund.

1.5 Comparative Figures

Prior period comparative information has been presented in the current year's financial statements.

1.6 Settlement period of assets and liabilities

1.6.1 Current and Non-Current Assets

This represents domestic and foreign assets and should be classified as a current asset, when it:

- Is expected to be realised in, or is held for sale or consumption in the normal course of the operating cycle; or
- Is held primarily for trading purposes or for the short-term and expected to be realised within 12 months of the reporting date; or
- Is a Cash and cash equivalent asset.

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 March 2021

All other assets with a remaining term longer than one year are classified as non-current assets.

1.6.2 Current and Non-Current Liabilities

This represents domestic and foreign liabilities and should be classified as a current liability, when it:

- Is expected to be settled in the normal course of the entity's operating cycle; or
- Is due to be settled within twelve months of the reporting date.

All other liabilities with a remaining term longer than one year are classified as non-current liabilities.

1.7 Restatements and Adjustments

Where necessary figures included in the prior period financial statements have been reclassified/adjusted to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. This includes prior years errors detected by National Revenue Fund.

2. Revenue

2.1 South African Revenue Service (SARS) Revenue/ Revenue in terms of Section 12(3) of the PFMA

2.1.1 SARS

Taxpayer-assessed revenues including payroll tax and stamp duties are recognised when funds are received by SARS. Cash in transit or over remitted as at 31 March by the SARS is included in the Statement of Financial Position as other receivables/payables.

2.1.2 Revenue in terms of Section 12(3) of the PFMA

All transfers, duties, fees and other moneys collected (in terms of Section 12 (3) of the PFMA) by the SARS for a province are deposited into the National Revenue Fund and then transferred to the respective Provincial Revenue Fund is recognised when instructed by SARS.

2.2 Departmental Revenue

All departmental revenue is recognised in the Statement of Financial Performance when received by the National Revenue Fund, unless stated otherwise. Any amounts owing to National Revenue Fund at the end of the financial year are recognised as receivables in the Statement of Financial Position.

The main categories of Departmental Revenue are listed below together with the short definition:

2.2.1 Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the departments.

2.2.2 Transfers received

Transfers received comprise of all unrequited, voluntary receipts from other parties. This includes gifts, donations and sponsorships.

2.2.3 Fines, penalties and forfeits

Fines penalties and forfeits are compulsory receipts imposed by court or another judicial body or agreed upon by parties as an out of court settlement.

2.2.4 Interest, dividends and rent on land

Interest is revenue associated with the ownership of interest bearing financial instruments, such as bank deposits, loans extended to others and bills and bonds issued by others.

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 March 2021

Dividends are revenue associated with ownership of shares in a company whether fully or partially government owned. Gains or losses associated with buying or selling of shares do not belong to this line item.

Rent on land includes revenue and due to the ownership of land.

2.2.5 Sale of capital assets

The proceeds from the sale of capital assets include compensation received from the sale of capital assets. A capital asset is an item of property, plant and or equipment that costs more than R5 000 (all inclusive). This also comprise of intangible items as computer software with a cost exceeding R5 000 (all inclusive).

2.2.6 Financial transactions in assets and liabilities

This includes receipts associated with certain transactions in financial assets and liabilities such as:

Repayments of loans and advances previously extended to employees and public corporations for policy purposes and forex gains and losses on settlement of loans.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is re-issued the payment is made from Revenue.

2.2.7 Taxation revenue

This is compulsory, unrequited revenue collected by a government unit. Taxes are compulsory because the other party is required by law to pay them in certain circumstances and under certain conditions. Taxes are unrequited, which means that the government does not give any particular goods or service directly in return for paying taxes.

2.3 Criminal Asset Recovery Account (CARA) receipts

Funds received derived from the execution of confiscation and forfeiture orders contemplated, in accordance with section 64 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts are recognised by the National Revenue Fund in the Statement of Financial Performance when the cash is received.

2.4 Other revenue

Surrenders for appropriated funds are recognised when amounts become payable by departments at the end of the reporting date. Other revenue and surrenders are recognised when cash is received from the departments.

Amounts owing to the National Revenue Fund at the end of the financial year are recognised as receivables in the Statement of Financial Position.

3. Expenditure

3.1 Net Appropriation

Appropriated funds include annual appropriation and statutory appropriation. These are appropriated to entities in order to be utilised for the necessities of business operations. Appropriated funds are recognised in the financial records when approved by Parliament.

Net Appropriation included in the Statement of Financial Performance represent the funds appropriated for annual appropriation during the financial year, less net amounts to be surrendered and unauthorised expenditure funded by the National Revenue Fund.

Total statutory appropriations less amounts to be surrendered plus exceeding of the approved statutory appropriation are presented in the statement of financial performance. Exceeding of approved statutory appropriation are recognised as a payable in the Statement of Financial Position.

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 March 2021

3.2 Other expenditure

Expenditure is recognised on receipt of a request. If not paid by 31 March the payment becomes a payable.

3.3 Unauthorised expenditure approved (with funding) by an Act of Parliament and expenditure in terms of an Act of Parliament

Expenditure is recognised when an Act has been approved (with funding) by Parliament. Unauthorised expenditure approved with funding, but not yet requested is recognised as a payable.

3.4 CARA payments

Cara money is not appropriated as such and funds are transferred to department when approved by Cabinet in accordance with section 65 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts transferred by the National Revenue Fund are recognised in the Statement of Financial Performance when approved by Cabinet. Funds not requested when approved by Cabinet are recognised as a payable by the National Revenue Fund in the Statement of Financial Position.

3.5 Financial Instrument Valuation and Capital Subscription on Investments

Capital Subscriptions Investments are initially recognised at the issue price upon transaction date of the relevant department.

Foreign liabilities, foreign investments (including capital subscriptions) and Multilateral Institutions liabilities are re-valued at the closing exchange rate of 31 March. Associated gains and losses are recognised in the Statement of Financial Performance. Gains and losses due to the revaluation of inflation-linked bonds are also included in the Statement of Financial Performance.

4. Assets

4.1 Cash and cash equivalents

Domestic cash and cash equivalents are recognised in the Statement of Financial Position at cost.

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held and other short-term highly liquid investments.

Foreign cash and cash equivalents are carried in the statement of finance position at the closing rate of 31 March. Gains and losses on revaluation are recognised in the statement of financial performance.

4.2 Receivables

Receivables included in the Statement of Financial Position comprise of payments due at financial year end by departments which have not yet been received. Any unspent CARA fund assistance to departments does not need to be surrendered to the National Revenue Fund.

Receivables outstanding at year-end are carried at cost.

4.3 Investments

Domestic investments are recognised and measured at face value in the Statement of Financial Position.

Foreign investments represent South Africa's membership/shareholding in the African Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency. These investments are initially recognised at face value (i.e. the issue price) and are subsequently revalue using the closing exchange rate at 31 March.

The International Monetary Fund (IMF) quota represents South Africa's membership subscription to the IMF. The investment is denominated in special drawing rights (SDR) and is recognised in the Statement of Financial Position in Rand, converted at

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 March 2021

the closing SDR exchange rate published by the IMF at the year end.

Any gains and or losses on the revaluation of investments and financial liabilities are recognised in the Statement of Financial Performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprises of amounts owing by the National Revenue Fund to other governmental entities and SARS. These payables are carried at cost in the statement of financial position.

5.2 Multilateral Institutions

The callable portions of South Africa's subscription in the African Development bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency are recognised as a financial liability and are initially measured at face value (i.e. the issue price) and are subsequently revalued using the closing exchange rate at 31 March.

The International Monetary Fund's securities account and SDR allocations represents South Africa's liability to the fund.

5.3 Borrowings

5.3.1 Domestic Borrowings

Domestic current borrowings consist mainly of Treasury bills with a term-to-maturity varying between 1 to 365 days. Treasury bills are recognised at face value.

Domestic non-current borrowings consist of fixed rate, inflation-linked-, retail- and zero coupon bonds. All these instruments except for inflation-linked- and zero coupon bonds are recognised at face value. Inflation-linked bonds and zero coupon bonds are recognised at transaction amount. Inflation-linked bonds have been revalued using the relevant

"reference CPI" at year end (settlement value). Zero coupon bonds are recognised at amortised costs.

The face value and / or settlement value represents the amount that will be paid to the bond holder at maturity of the instrument.

5.3.2 Foreign Loans and Bonds

Foreign loans and bonds are initially recognised at face value and subsequently revalued to rand using the closing exchange rates as at 31 March. Foreign loans are not hedged against foreign currency movements.

6. Contingent liabilities and contingent assets

6.1 Contingent liability

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the National Revenue Fund, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

6.2 Contingent asset

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the National Revenue Fund. Contingent assets include the Gold and Foreign Exchange Contingency Reserve Account that is initially measured at cost as it does not have a fixed maturity date, and is subsequently revalued with the profits and losses incurred on gold and foreign exchange transactions.

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

For the year ended 31 March 2021

■ 7. Events after the reporting date of the Annual Financial Statements

Events after reporting date are both those favourable and unfavourable events, that occur between reporting date and the date when financial statements are authorised for issue.

Where applicable:

- The amounts recognised and recorded in the financial statements were adjusted to reflect adjusting events after the reporting date; and
- The amounts recognised or recorded in the financial statements to reflect non-adjusting events after the reporting date are not adjusted.

Material events after reporting date are disclosed in the notes to the financial statements. For more information see the applicable note in this regard.

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
REVENUE			
Revenue collected	1	1 236 780 747	1 344 797 712
By SARS		1 200 560 371	1 317 827 484
Departmental Revenue		36 134 541	26 810 587
CARA Receipts		85 835	159 642
Other Revenue	2	4 491 039	4 447 507
TOTAL REVENUE		1 241 271 786	1 349 245 219
EXPENDITURE			
Net Appropriation		1 871 140 554	1 722 616 274
Annual Appropriation	3	1 004 428 082	945 187 369
Statutory Appropriation	4	866 712 472	777 428 905
CARA Payments	5	150 699	147 472
Expenditure in terms of a separate Act of Parliament	6	-	-
TOTAL EXPENDITURE		1 871 291 253	1 722 763 746
SURPLUS/(DEFICIT)		(630 019 467)	(373 518 527)
Financial Instrument Valuation and Capital Subscription on Investments	7	(32 186 409)	(72 946 274)
Valuation and Capital on Investment		(28 228 411)	(77 444 159)
Movement on National Treasury Financial Instruments		(3 957 998)	4 497 885
SURPLUS/(DEFICIT) FOR THE YEAR		(662 205 876)	(446 464 801)

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2021

	Notes	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	310 096 206	251 690 111
Receivables	9	24 113 382	15 508 652
Funds to be surrendered to the Revenue Fund:			
Voted Funds		21 293 616	11 669 312
Departmental Revenue		2 717 031	3 747 295
Other		102 735	92 045
Total		334 209 588	267 198 763
Non-current assets			
Investments	10	311 021 360	337 860 152
Total		311 021 360	337 860 152
TOTAL ASSETS		645 230 947	605 058 915
RESERVES AND LIABILITIES			
RESERVES			
		(3 646 796 860)	(2 984 590 985)
LIABILITIES			
Current liabilities			
Payables	11	21 382 908	20 561 032
Voted Funds to be transferred		881 357	511
Unauthorised expenditure		18 741 056	18 541 198
Other		1 760 495	2 019 323
Borrowings	12	516 367 713	428 446 563
Total		537 750 621	449 007 595
Non-current liabilities			
Multilateral Institutions	13	334 944 145	307 746 647
Borrowings	14	3 419 333 040	2 832 895 658
Total		3 754 277 185	3 140 642 305
TOTAL LIABILITIES		4 292 027 806	3 589 649 900
TOTAL RESERVES AND LIABILITIES		645 230 947	605 058 915

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2021

	Notes	R'000
Opening balance as at 1 April 2020		(2 538 093 789)
Surplus / (Deficit) for the year 2020		(446 464 801)
Prior year errors for transactions 2019/20	22	(32 395)
Rounding		(1)
Balance at 31 March 2020		(2 984 590 985)
Surplus / (Deficit) for the year 2021		(662 205 876)
Adjustments and restatement		-
Rounding		1
Balance at 31 March 2021		(3 646 796 860)

CASH FLOW STATEMENT

For the year ended 31 March 2021

	<i>Notes</i>	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Revenue collected	15	1 237 583 655	1 343 668 900
By SARS		1 200 333 015	1 317 627 217
Departmental Revenue collected		37 164 805	25 882 042
CARA Receipts		85 835	159 642
Surrenders from departments	16	11 681 545	9 287 912
Other revenue received by the revenue fund	17	4 491 039	4 447 507
		1 253 756 239	1 357 404 319
PAYMENTS			
Appropriated payments	18	1 891 515 887	1 718 968 640
Annual Appropriation		1 024 477 687	941 136 281
Statutory Appropriation		866 887 501	777 684 887
CARA Payments		150 699	147 472
Other Payments	19	511	372 702
		1 891 516 398	1 719 341 341
Net cash flow available from operating activities	23	(637 760 159)	(361 937 022)
CASH FLOWS FROM INVESTING ACTIVITIES			
Other investing activities	20	-	-
Net cash flows from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in borrowings	21	696 166 254	396 059 369
Net cash flows from financing activities		696 166 254	396 059 369
Net increase/(decrease) in cash and cash equivalents		58 406 095	34 122 347
Cash and cash equivalents at beginning of period		251 690 111	217 567 764
Cash and cash equivalents at end of period	8	310 096 206	251 690 111

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

		2020/21	2019/20
		R'000	R'000
1	Revenue collected		
1.1	By SARS		
	Revenue collected by SARS	WP 2A	
	Taxation	1 249 711 235	1 355 766 257
	Non-taxation	73 145 551	74 661 027
	Less: Payments by SARS	122 296 415	112 599 800
	Total Revenue collected by SARS*	1 200 560 371	1 317 827 484
	*Refer to note 25 for Departures from the Modified Cash Standard granted to SARS		
1.2	Departmental Revenue		
	Departmental Revenue collected	WP 2B & 2C	36 134 541
	National Revenue Fund Receipts	*	26 810 587
	Sales of goods and services other than capital assets	25 769 916	12 801 334
	Fines penalties and forfeits	1 520 356	2 699 578
	Interest dividends and rent on land	354 206	360 757
	Sales of capital assets	7 001 249	9 174 543
	Financial transactions in assets and liabilities	131 839	120 875
	Transfers received	929 804	1 282 677
	Total Departmental Revenue collected	36 134 541	26 810 587
	*National Revenue Fund receipts (previously known as extra-ordinary receipts) are also included in departmental revenue in line with global standards in particular the International Monetary Fund's Government Finance Statistics Manual 2001. Detailed information on these transactions is provided in Working papers 2C and 2D. If exchange rate profit is not received in cash it is recognised during the financial year once the information by means of a journal is obtained from the Assets and Liability Management (ALM) section.		
1.3	CARA Receipts		
	CARA funds received	WP 1C	85 835
	Total CARA Receipts		159 642
2	Other Revenue		
2.1	Other		
	Other surrenders	WP 3B	2 688 913
	Other revenue received	WP 3C	1 802 126
	Total Other		4 491 039

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

		2020/21 R'000	2019/20 R'000
3	Net Appropriation	1 004 428 082	945 187 369
3.1	Annual Appropriation		
	Equitable Share / Voted Funds	WP 1A 1 025 962 053	941 168 502
	Total Annual Appropriation	1 025 962 053	941 168 502
3.2	Voted funds to be surrendered		
	Equitable Share / Voted Funds	21 533 971	(4 018 867)
	Total voted funds to be Surrendered	21 533 971	(4 018 867)
4	Net Appropriation - Statutory	866 712 472	777 428 905
4.1	Statutory Appropriation		
	Equitable Share / Statutory Funds	WP 1B 783 194 890	745 367 573
	Total Statutory Appropriation	783 194 890	745 367 573
4.2	Statutory funds to be surrendered		
	Equitable Share / Statutory Funds	(83 517 582)	(32 061 332)
	Total Statutory funds to be Surrendered	(83 517 582)	(32 061 332)
5	CARA Payments		
	Cara funds transferred to departments	WP 4C 150 699	147 472
	Total CARA Fund assistance	150 699	147 472
6	Expenditure in terms of a separate Act of Parliament		
	Unauthorised Expenditure in terms of an Act of Parliament	WP 5A -	-
	Total Expenditure in terms of an Act of Parliament	-	-
7	Financial Instrument Valuation and Capital Subscription on Investments		
	Capital Subscription on Investments	WP 6 1 157 393	8 771 385
	Financial Instrument Valuation	WP 6 (29 385 804)	(86 215 544)
	Total Valuation and Capital on Investments	(28 228 411)	(77 444 159)
7.1	Movement*		
	Movement on Capital Subscription	WP 6 (19 789 988)	22 489 425
	Movement on Multilateral Institutions	WP 6 15 831 990	(17 991 540)
	Nett movement	(3 957 998)	4 497 885

*The movement in Capital subscription on Investment and Multilateral Institutions consist of revaluation gain/loss on additional subscription from the New Development Bank which took place in December 2020 and February 2021.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

		2020/21 R'000	2019/20 R'000
8	Cash and cash equivalents		
	Exchequer account	-	-
	Cash with commercial banks	175 135 594	35 845 076
	Cash with SARB	41 157 404	67 157 404
	Foreign Currency Investment	93 263 486	148 196 375
	ALM PMG balance	539 721	491 256
	Total Cash and cash equivalents*	310 096 206	251 690 111
	*Cash and Cash equivalents balances are net of outstanding transfer		
9	Receivables		
9.1	Current		
9.1.1	Voted funds to be surrendered to the Revenue Fund		
	Opening Balance	11 669 312	9 292 310
	Prior period error	-	18 633
	Restated opening balance	11 669 312	9 310 943
	Amounts to be surrendered	WP 1A 1B & 1E 21 305 849	11 645 301
	Received during the year	WP 3A (11 681 545)	(9 286 932)
	Closing balance	21 293 616	11 669 312
9.1.2	Departmental Revenue to be surrendered to the Revenue Fund		
	Opening Balance	3 747 295	2 867 526
	Prior period error*	-	(48 776)
	Restated opening balance	3 747 295	2 818 750
	Revenue collected	WP 2B 10 364 625	14 009 253
	Received during the year	WP 2B (11 394 889)	(13 080 708)
	Closing balance	2 717 031	3 747 295
	*See disclosure note on restatements for more details		
9.1.3	Other		
	Opening Balance	92 045	51 547
	Amounts to be received	WP 9A 102 735	92 045
	Received during the year	WP 9A (92 045)	(51 547)
	Closing balance	102 735	92 045
9.1.4	Unauthorised expenditure funded by NRF		
	Opening Balance	-	980
	Appropriation for unauthorised expenditure	WP 5B -	-
	Received during the year	WP 5B -	(980)
	Total Appropriation for unauthorised expenditure	-	-
	Total Receivables	24 113 382	15 508 652

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
10		
Investments		
Non-Current		
Foreign	WP7B	
New Development Bank	122 078 138	116 291 175
International Monetary Fund quota subscription	63 986 569	74 502 890
African Development Bank	59 041 287	71 384 722
International Bank for Reconstruction and Development	32 281 356	38 494 197
International Monetary Fund SDR Holding	31 402 750	36 553 813
International Finance Corporation	1 965 162	311 625
Multilateral Investment Guarantee Agency	266 098	321 730
Total Investments - Non-current	311 021 360	337 860 152
Number of shares		
International Monetary Fund quota subscription	132 805	17 418
African Development Bank	18 084	17 831
New Development Bank	1 662	1 662
International Bank for Reconstruction and Development	330 749	330 749
Multilateral Investment Guarantee Agency	82 500	65 000
Special Drawing Rights (SDR)		
International Monetary Fund Quota Subscription	3 051 200	3 051 200
International Monetary Fund SDR Holding	1 497 440	1 497 029
Issue price per share		
Foreign:		
<i>Issued in American dollars</i>		
International Finance Corporation	14 797	17 891
International Bank for Reconstruction and Development	1 785 078	2 158 275
Multilateral Investment Guarantee Agency	160 107	193 580
New Development Bank	1 479 735	1 789 095
<i>Issued in unit of account</i>		
African Development Bank	178 508	215 827
Exchange rates as at year end used to convert issue price		
American dollar (USD)	14.80	17.89
Special Drawing Rights (SDR)	20.97	24.42

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

		2020/21 R'000	2019/20 R'000
11	Current Liabilities		
	Payables		
	11.1 Current		
	11.1.1 Voted funds to be transferred		
	Opening Balance	511	372 702
	Prior period error	-	-
	Restated opening balance	511	372 702
	Funds not transferred	881 357	511
	Paid during the year	(511)	(372 702)
	Closing balance	881 357	511
	11.1.2 Other		
	Opening Balance	2 019 323	2 234 915
	Amounts to be paid	1 760 500	2 019 328
	Amount paid during the year	(2 019 328)	(2 234 920)
	Closing balance	1 760 495	2 019 323
	11.1.3 Unauthorised Expenditure NOT funded by Revenue Fund		
	Opening Balance	18 541 198	3 099 050
	Prior period error*	-	2 252
	Restated opening balance	18 541 198	3 101 302
	Amount paid Approved by Finance Act	-	-
	Unauthorised reported in current financial year	199 858	15 439 896
	Total Appropriation for unauthorised expenditure	18 741 056	18 541 198
	*See disclosure note on restatements for more details		
	Total Payables	21 382 908	20 561 032
12	Borrowings		
	Current		
	Domestic		
	Bonds	512 352 196	413 780 114
		512 352 196	413 780 114
	Foreign		
	Bonds	4 015 517	14 666 449
		4 015 517	14 666 449
	Total Current Borrowings	516 367 713	428 446 563

Included in the domestic current borrowings are inflation-linked bonds with the revaluated amount of R55.1bn.

Foreign loans are revalued at the closing exchange rate at 31 March.
The face value of these bonds at the date of issue was R2.0 bn (2019/20: R8.0 bn).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
12.1 Domestic short-term bonds treasury bills and other loans		
Debt as at 1 April	53 057 774	32 212 012
Created	4 891 996	(8 423 090)
Reduced	(57 949 770)	(23 788 921)
Transfer from long-term	56 301 955	53 057 774
Treasury bills	456 043 275	333 433 015
Other Loans	6 965	27 289 324
Total	512 352 196	413 780 114
12.1.1 Composition of domestic short-term bonds treasury bills and other loans		
1-day Treasury bills	72 585	72 585
91-day Treasury bills	15 334 900	10 601 550
182-day Treasury bills	70 980 300	57 367 800
273-day Treasury bills	154 146 890	109 293 400
365-day Treasury bills	215 508 600	156 097 680
CPD borrowing	-	27 282 358
Fixed-rate bonds	55 089 692	48 964 709
Retail bonds	1 212 263	4 093 065
Other	6 966	6 966
Total	512 352 196	413 780 114
12.2 Foreign short-term bonds and other loans		
Debt as at 1 April	7 960 585	26 952 291
Created	-	-
Reduced	(7 960 585)	(26 952 291)
Transfer from long-term	1 995 428	7 960 585
Revaluation of foreign loans	2 020 089	6 705 864
Total	4 015 517	14 666 449
13 Non-current Liabilities		
Multilateral Institutions	WP 8D	
IMF-Securities Account	114 298 475	68 179 342
African Development Bank	55 008 973	66 509 395
New Development Bank	97 662 510	93 032 940
IMF-SDR Allocations	37 441 855	43 595 499
International Bank for Reconstruction and Development	30 316 748	36 168 816
Multilateral investment Guarantee Agency	215 584	260 655
Total Multilateral Institutions	334 944 145	307 746 647
13.1 African Development Bank	55 008 973	66 509 395
This commitment represents the callable portion of a country's subscription available to the African Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.		
13.2 IMF-Securities Account	114 298 475	68 179 342
This commitment represents the balance of securities in the International Monetary Fund's (IMF) General Resources Account held with the South African Reserve Bank.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

		2020/21 R'000	2019/20 R'000
13.3 IMF-SDR Allocations		37 441 855	43 595 499
	The special drawing rights deposit at the South African Reserve Bank is the Rand equivalent of South Africa's special drawing right liability towards the International Monetary Fund in terms of the Finance and Financial Adjustments Acts Consolidation Act 11 of 1977.		
13.4 International Bank for Reconstruction and Development		30 316 748	36 168 816
	This commitment represents the callable portion of a country's subscription available to the International Bank for Reconstruction and Development (IBRD) to meet its obligations for funds borrowed or loans guaranteed by it.		
13.5 New Development Bank		97 662 510	93 032 940
	This commitment represents the callable portion of a country's subscription available to New Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.		
13.6 Multi- Lateral investment Guarantee Agency		215 584	260 655
	This commitment represents the callable portion of a country's subscription available to the Multilateral Investment Guarantee Agency (MIGA) to meet its obligations on foreign investment guarantees to investors that are planning investments in developing member countries.		
14 Borrowings			
Long Term			
Domestic	WP 8A	3 030 914 202	2 460 337 455
Bonds		3 030 914 202	2 460 337 455
Foreign	WP 8B	388 418 838	372 558 203
Bonds		388 418 838	372 558 203
Total Long-Term Borrowings		3 419 333 040	2 832 895 658
	Included in domestic non-current borrowings are inflation-linked bonds with the revalued amount of R732.2 bn (2019/20: R650.2 bn). The face value of these bonds is R573.0 bn (2019/20: R495.0 bn). Foreign bonds are revalued at the closing exchange rate at 31 March. The face value of these bonds at the date of issue was R350.4 bn (2019/20: R260.5 bn).		
14.1 Domestic long-term bonds debentures and other loans	WP 8A		
Debt as at 1 April		2 305 196 734	2 008 595 925
Created		602 998 667	349 658 583
Reduced		-	-
Transfer to short-term		(36 442 124)	(53 057 774)
Revaluation premium on inflation-linked bonds		159 122 056	155 101 854
Former Regional Authorities		38 867	38 867
Total		3 030 914 202	2 460 337 455

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
14.1.1 Composition of Domestic long-term bonds debentures and other loans		
Fixed-rate bonds	2 283 672 537	1 802 092 302
Inflation-linked bonds	732 164 384	650 221 496
Retail bonds	15 038 414	7 984 790
Former Regional Authorities	38 867	38 867
Total	3 030 914 202	2 460 337 455
14.1.2 Redemption analysis of foreign long term and other loans financial year(s)		
2021-2024	138 970 767	178 576 129
2024-2027	428 894 756	249 616 170
2027-2030	502 742 471	257 202 091
2030-2033	321 109 449	431 746 539
2033-2037	627 649 359	363 884 266
2037-2040	231 905 406	326 139 951
2040-2043	151 719 427	144 387 427
2043-2047	309 640 637	249 985 361
2047-2050	280 347 539	228 194 200
2050-2053	37 895 525	30 566 454
Total	3 030 875 335	2 460 298 588
14.2 Foreign long-term bonds and other loans	WP 8B	
Debt as at 1 April	260 487 312	192 395 898
Created	91 919 747	76 052 000
Reduced	-	-
Transfer to short-term	(1 995 428)	(7 960 586)
Revaluation premium on inflation-linked bonds	38 007 207	112 070 891
Total	388 418 838	372 558 203
14.2.1 Redemption analysis of foreign long term and other loans financial year(s)		
2021-2024	36 993 375	22 838 435
2024-2027	120 757 712	62 618 325
2027-2030	73 986 750	85 828 255
2030-2033	20 716 290	60 829 230
2033-2037	-	-
2037-2040	-	-
2040-2043	16 106 176	13 418 213
2043-2047	29 594 700	35 781 900
2047-2050	90 263 835	91 243 845
2050-2053	-	-
Total	388 418 838	372 558 203
14.2.2 Currency analysis of foreign long-term loans		
British pound	5 008 164	-
Euro	8 679 755	9 791 287
Japanese yen	-	4 947 486
Swedish krona	63 986 569	-
United States dollar	310 744 350	357 819 430
Total	388 418 838	372 558 203

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

		2020/21 R'000	2019/20 R'000
15	Revenue collected		
	By SARS	1 200 333 015	1 317 627 217
	Departmental Revenue collected	WP 2B & 2C 37 164 805	25 882 042
	CARA Fund assistance	WP 1C 85 835	159 642
	Total Revenue collected	1 237 583 655	1 343 668 900
16	Surrenders from Departments		
	Equitable Share / Voted & Statutory funds surrendered	WP 3A 11 681 545	9 286 932
	Unauthorised Expenditure funded by Revenue Fund	WP 5B -	980
	Total Surrenders from Departments	11 681 545	9 287 912
17	Other revenue received by the Revenue Fund		
	Other surrenders	WP 3B 2 688 913	2 807 501
	Other revenue received	WP 3C 1 802 126	1 640 006
	Total Other revenue received	4 491 039	4 447 507
18	Appropriated Payments		
	Annual Appropriation: Funds transferred	WP 1A 1 024 477 687	941 136 281
	Statutory Appropriation: Funds transferred	WP 1B 866 887 501	777 684 887
	CARA Fund assistance	WP 4C 150 699	147 472
	Total Appropriated Payments	1 891 515 887	1 718 968 640
19	Other Payments		
	Amounts transferred to departments for previous appropriated funds	WP 4A 511	372 702
	Total Other Payments	511	372 702
20	Other investing activities		
	Other investing activities	WP 7C -	-
	Total Other investing activities	-	-
21	Increase/Decrease in borrowings		
	Changes in borrowings	WP 8C 696 166 254	396 059 369
	Total Other financing activities	696 166 254	396 059 369
22	Adjustments and Restatements		
	Restatements: Before prior period 2019/20	-	(32 395)
	Restatements: Prior period 2019/20	-	(444 673)
	Total Adjustments and Restatements	-	(477 068)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
23		
Nett cash flow available from operating activities		
Net surplus /(deficit) as per Statement of Financial Performance	(662 205 876)	(446 464 801)
Add back non cash/cash movements not deemed operating activities	24 445 717	84 527 779
Increase/(decrease) in receivables-current	11 681 545	(9 287 912)
Increase/(decrease) in other current assets	(802 397)	1 501 514
Increase/(decrease) in payables-current	-	-
Voted funds not requested/not received	(20 049 605)	4 051 088
Approved Statutory Overdrawn	(175 029)	(255 982)
Other non-cash items	32 186 409	72 946 274
Net cash flow generated by operating activities	(637 760 159)	(361 937 022)

24 RESTATEMENTS

Restatement done by Departments 2020/21	2020/21	2019/20
Voted funds to be surrendered		
Correctional Services		
Department restated prior period voted funds to be surrendered 2019/20	-	1 388
International Relations		
Department restated prior period voted funds to be surrendered 2019/20	-	58 509
Raising unauthorised expenditure not raised during 2018/19	-	5 001
Basic Education		
Department restate prior period voted funds to be surrendered for 2018/19	-	16 381

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

Departmental Revenue

Transport		
NRF's Disclosure for departmental revenue brought in line with that of the department	-	272 898

Home Affairs		
Department restated Departmental Revenue collection for 2018/19	-	2 730

GCIS		
NRF's Disclosure for departmental revenue brought in line with that of the department	-	5 126

Traditional Affairs		
NRF's Disclosure for Unauthorised expenditure brought in line with that of the department	-	2 252

Environment, Forestry and Fisheries		
Department restated departmental revenue collection for 2018	-	51 172

Water and Sanitation		
Water and Sanitation reallocation of request for refund 2019/20 for 2017/18 to Other surrenders	-	114 654

		Reflected in the Audited Financial Statements 2019/20	
ALM prior period error	2019/20		
Domestic short term loans, treasury bills and other loans			
Final adjustment of initial redemption figures transferred from long term to short term in 2019/20 for payment in 2020/21			
Current Borrowings-Domestic	413 780 114	411 068 018	2 712 095
Long term Borrowings-Domestic	2 460 337 455	2 463 049 550	(2 712 095)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

Summary of above mentioned prior period errors

	Revenue	Expenditure	Equity	Assets	Liability
2019/20					
Correctional Services restate 2019/20 expenditure	-	(1 388)	1 388	1 388	-
Transport departmental revenue collection brought in line with the NRF	(272 898)	-	(272 898)	(272 898)	-
Department restated prior period voted funds to be surrendered 2019/20	-	58 509	(58 509)	(58 509)	-
Raising unauthorised expenditure not raised during 2018/19	-	-	(5 001)	-	(5 001)
Water and Sanitation restatement of voted funds 2017/18	(114 654)	-	(114 654)	(114 654)	-
Sub Total	(387 552)	57 121	(444 673)	(439 672)	5 001
Prior to 2019/20					
Home Affairs restated departmental revenue for 2018/19	-	-	(2 730)	(2 730)	-
GCIS departmental revenue brought in line with that of the department 2017/18	-	-	5 126	5 126	-
Basic Education restated voted funds for 2018/19	-	-	16 381	16 381	-
Traditional Affairs raising unauthorised expenditure/voted funds to be surrendered not raised during 2014/15	-	-	-	2 252	2 252
Environment, Forestry and Fisheries restated departmental revenue for 2018/19	-	-	(51 172)	(51 172)	-
Sub Total	-	-	(32 395)	(30 143)	2 252
TOTAL	(387 552)	57 121	(477 068)	(469 815)	7 253

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

25 Departures from the Modified Cash Standard granted to SARS

The financial statements comply with the Modified Cash Standard with the Departures disclosed below. These departures were approved by the Accountant-General in 2014. The MCS with these departures will apply until the adoption of accrual accounting.

25.1 Revenue recognition: Penalties

Chapter 9.14 of the Modified Cash Standard requires recording and disclosure of accruals in respect of revenue. However, the Standard provides for exemption of taxation revenue. For the purpose of this Standard the definition of taxes specifically excludes fines and other penalties imposed for breaches of law.

SARS concluded that the recording and disclosure of accruals in respect of revenue from penalties relating to taxation revenue would be misleading and that it would conflict with the overall objective of fair presentation.

Revenue from penalties is directly related to taxation revenue for which exemption was granted and consequently is recognised on the same basis.

25.2 Revenue recognition: Revenue from SACU

Chapter 9.14 of the Modified Cash Standard requires recording and disclosure of accruals in respect of revenue. However, the Standard provides for exemption for recording of an accrual of taxation revenue. The South African Government receives revenue from the common Customs Pool in terms of the Agreement. The revenue originates from custom duties excise levies and other duties. Revenue from SACU is administered by SARS in terms of the SARS Act (Act No.34 of 1997) and by implication falls within the ambit of taxation revenue.

Revenue received from SACU is based on monies received into the Common Customs Pool from the participating Member States. SARS concluded that revenue received in terms of the SACU agreement should be accounted for on the cash basis of accounting.

25.3 Contingent assets and Liabilities

SARS has litigation matters which are not disclosed. Chapter 4 of the Standard will require retrospective application in adopting the accounting policy for the contingent assets and liabilities.

There is currently no reliable basis that can be utilised in respect of the judgment to be applied in considering whether transactions meet the criteria of accruals provisions contingent assets and liabilities.

SARS concluded that the disclosure of contingent assets and liabilities would not achieve the overall objective of fair presentation.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

	2020/21 R'000	2019/20 R'000
26		
Contingent Asset		
GEFECRA	315 584 260	436 062 044

The GFEFRA, which operates in terms of Sec 28 of the SARB Act, represents the net revaluations profits and losses on gold and foreign exchange transactions which are for the account of the South African government.

27 Events after reporting date

27.1 Subsequent events

Due to Covid19 and the Public Unrest experienced in July 2021 the Minister of Finance announced an additional allocation in the Second Special Appropriation Bill (2021) totalling R32.8 billion which consist of the following:

- R26,7 billion to support individuals in the form of the Social Relief Distress Grant. This will provide monthly payment of R350 to qualifying individuals until the end of March 2022.
- R4.8 billion to cater for the cost of public unrest in July 2021 in Gauteng and KwaZulu - Natal provinces. R3.9 billion of R4.8 billion was allocated for SASRIA.
- R1,3 billion to support businesses effected by Covid 19 and the unrest in July 2021.

Public service Bill 2021

- An amount of R20.5 billion was allocated for public sector salary adjustment

In 2021/22, government's gross borrowing requirement – the budget deficit plus maturing loans – decreased by R72.7 billion to R475.1 billion relative to the 2021 Budget. The gross borrowing requirement will be financed through the issuance of long-term domestic and foreign loans, and the use of cash balances. To date R179.5 billion was raised in the domestic bond market. In addition, government received a US\$1 billion Economic Recovery Loan on 17 June 2021 from the New Development Bank (NDB) maturing in June 2051 (30-year).

Gross loan debt is expected to reach R4.31 trillion, or 69.9 per cent of GDP, in 2021/22 and is expected to stabilise at 78.1 per cent of GDP in 2025/26 as compared to 88.9 per cent in the 2021 Budget.

In the first half of 2021/22 government's total exposure to guarantees issued to state-owned entities decreased by R1 billion, mainly due to a net decrease in exposure to Eskom. There were no additional guarantees issued to state-owned companies since 31 March 2021.

Denel is experiencing difficulties in meeting its obligations and is negotiating with stakeholders on a way forward. Several repayment obligations have fallen due in 2021/22, which includes government guaranteed debt. Government has allocated R2.9 billion in 2021/22 to settle government guaranteed debt.

As of 1 April 2021, Rating and Investment Information Inc. (R&I) rates South Africa on an unsolicited basis. On 21 May 2021, Fitch affirmed South Africa's credit ratings at 'BB-' and maintained the negative outlook. On the same day, S&P affirmed the country's foreign and local currency ratings at 'BB-' and 'BB', respectively, and maintained a stable outlook.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

New Covid-19 variant

The discovery of the new variant of the virus may have a significant effect on Tourism and the economy as a whole.

27.2 Non adjusting events

In terms of section 22 of the 2021 Division of Revenue Act the approval for roll over was only after 31 March 2021. Unspent conditional grants should be surrendered by the Province to the National Revenue Fund through the relevant National Departments. As these approvals were received after June 2021 the amounts for unspent conditional grants to be surrendered were not included in the audited Annual Financial Statements of the relevant National departments. The National Revenue Fund should therefore receive the amount of R2,531 million. See breakdown below:

	2020/21 R'000	2019/20 R'000
Province/Agency		
<i>Preliminary 2020/21</i>		
Western Cape	95 334	15 927
Mpumalanga	176 199	47 096
Northern Cape	109 489	60 930
North west	112 684	553 758
Limpopo	603 996	569 458
Eastern Cape	192 299	84 142
Free State	240 732	245 114
<i>Audited 2020/21</i>		
Gauteng	944 747	503 593
KwaZulu Natal	55 356	28 490
Total	2 530 836	2 108 508

28. Financial Risk Management

Government's debt portfolio during 2020/21 was assessed for a seventh against the strategic risk benchmarks which were implemented in 2014/15. Government's funding programme was monitored against these benchmarks to assess the impact on refinancing, inflation and currency risks. While the numeric benchmarks and indicators will remain unchanged in 2020/21, they will continue to be monitored and reported on a quarterly basis.

Strategic portfolio risk benchmarks

Description	Range or limit
Treasury bills as % of domestic debt	15
Long-term debt maturing in 5 years as % of bonds	25
Inflation-linked bonds as % of domestic debt	20-25
Foreign debt as % of total debt	15
Weighted term-to-maturity of fixed-rate bonds and Treasury bills (in years)	10-14
Weighted average term-to-maturity of inflation-linked bonds (in years)	14-17

Government's gross loan debt of R3.9 trillion consist of domestic (R3.5 trillion) and foreign debt (R392.4 billion). Domestic debt comprises short-term debt (Treasury bills and borrowing from the Corporation for Public Deposits) and long-term debt (fixed-rate, inflation-linked and retail, and other loans). For purposes of calculating the risk benchmarks; borrowings from the CPD, retail bonds and other non-marketable

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

were excluded from gross loan debt. This is because these items are generally small in nominal values and difficult to price.

28.1 Inflation risk

Inflation risk is the risk that adverse changes in month on month inflation might result in increases in the outstanding amount of inflation-linked bonds and thus result in higher future redemption amounts. This risk is managed by setting a benchmark for inflation-linked bonds (ILB) as a per cent of domestic debt to range between 20 to 25 per cent. Domestic debt includes Treasury bills, fixed-rate- and inflation-linked bonds only.

Inflation-linked bonds as a per cent of domestic debt

Indicator	31 March 2021	31 March 2020
Domestic debt ¹	R3 526.9 bn	R2 834.6 bn
Inflation-linked bonds	R 787.3 bn	R 650.2 bn
ILBs as % of domestic debt	22.3 %	22.9%

1.Excludes retail bonds, borrowing from the CPD and other loans.

28.2 Currency risk

Currency risk arises from the change in price of the rand against major currencies the foreign debt is denominated in. These impacts on the rand value of interest and redemption amounts on foreign loans. The risk is managed by setting a limit of 15 per cent for foreign currency debt as a per cent of total debt. Changes in the exchange rate, mainly the USD/ZAR also impact on the rand value of government's foreign currency deposits with the Reserve Bank.

Government monitors its net foreign debt exposure, the difference between gross foreign debt and foreign currency deposits. Although government does not enter into hedge transactions to limit its exposure to foreign currency volatility, foreign currency cash deposits provide a natural hedge to a portion of the foreign debt portfolio. Foreign currency deposits are held in US dollar.

Composition of foreign debt

Indicator	31 March 2021	31 March 2020
Percentage		
As % of total debt		
- Gross foreign debt	10.0	11.9
- Net foreign debt	8.3	8.0
Currency composition		
- US Dollar	80.2	94.8
- Euro	2.2	2.6
- Yen	1.0	2.6
- GBP	0.0	0.0
- Swedish krona	0.0	0.1
- XDR	16.5	0.0

28.3 Refinancing risk

Refinancing risk is the possibility that money cannot be borrowed to refinance maturing debt or that these borrowings take place at unfavourable rates. This risk is manifested in the concentration of large volumes of debt that needs to be repaid.

One of the aims of government's debt management strategy is to maintain a smooth debt maturity profile. Refinancing risk is reduced through an active switch programme whereby short dated bonds are exchanged for longer-term bonds.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

Refinancing risk benchmarks

Indicator	31 March 2021	31 March 2020
Treasury bills as % of domestic debt	12.9%	11.8%
Long-term debt maturing in 5 years as % of bonds	15.9%	15.3%
Weighted term-to-maturity of fixed-rate bonds plus Treasury bills (in years)	11.8	12.5
Weighted term-to-maturity of inflation-linked bonds (in years)	13.2	13.7

28.4 Credit Risk

Credit risk exposure from explicit contingent portfolio

The explicit contingent liabilities of government consist mainly of government guarantees issued to state-owned companies (SOCs), Public-Private Partnerships (PPPs) as well as Independent Power Producers (IPPs).

The explicit contingent liability portfolio of government exposes government to credit risk, in that, should the guaranteed entities fail to settle their government guaranteed financial obligations; government as the guarantor will have to settle the obligations in default on behalf of the entities.

As at 31 March 2021, guarantees to public institutions increased by R96.2 billion, from R484.8 billion in 2019/20 to R581 billion. This is mainly due to the government guarantee of R100 billion issued to the SARB as part of a bank loan guarantee scheme introduced to assist Covid-19 affected businesses while guarantees issued to Denel and South African Express declined during the year as the entities received recapitalisation that was used to pay maturing debt.

As at 31 March 2021, the guarantee exposure amount decreased from R413.7 billion in 2019/20 to R410.3 billion. Changes in the exposure amount were due to a portion of Eskom debt maturing, the repayment of a portion of South African Airways debt through a recapitalisation while R13.3 billion of the loan guarantee facility was utilised.

Counterparty risk exposure from investment of government surplus cash

Government's surplus cash is invested with four South African commercial banks, namely: Standard Bank, First National Bank, ABSA and Nedbank. As at 31 March 2021, the total surplus cash invested with the banks amounted to R198.6 billion (2019/20: R44.5 billion).

The risk that emanates from government's surplus cash investments with the banks is the possibility that as a result of these banks being in financial distress; government will not be able to access its deposits when needed.

The amount of government surplus cash invested with each of the four banks is based on government's risk assessment of each bank. The bank with the highest risk out of the four banks is allocated the lowest amount of surplus cash while the bank with the lowest risk is allocated the highest amount of surplus cash. As at 31 March 2021, the prescribed ratios for the investment of surplus cash with the four banks was 25 per cent for each of the banks. However, government's risk exposure to the banks was more inclined towards Nedbank Group and therefore the surplus cash allocations deviated from the prescribed ratios.

28.5 Sovereign risk

Sovereign credit ratings play an important role in a country's ability to access capital markets, as they influence investor perceptions of the quality of its debt. Credit rating agencies carry out annual reviews of South Africa's credit-worthiness. However, since the inception of the European Union's Credit Regulation Act 3 in 2013, European-based credit rating agencies are obliged to review their credit ratings every six months. South Africa continues to solicit ratings from four major rating agencies: Moody's Investors Service (Moody's), S&P Global

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

Ratings (S&P), Fitch Ratings (Fitch) and Rating and Investment Information, Inc. (R&I).

The Coronavirus (Covid-19) pandemic has further exposed vulnerabilities of the South African economy. South Africa's credit profile remains constrained by weak economic growth environment, widespread fiscal pressures, including rising borrowing costs and continuous financial support to state owned companies (SOCs). These constraints identified by the agencies, led to the sovereign further moving down into the non-investment grade category.

On 3 April 2020, Fitch Ratings (Fitch) downgraded the country's long term foreign and local currency debt ratings to 'BB' from 'BB+' and maintained a negative outlook. On 21 April 2020, President Ramaphosa announced a R500 billion Covid-19 stimulus package for South Africa. This allocation added more pressure on the already weak government balance sheet. On 29 April 2020, S&P also downgraded the country's long-term foreign and local currency debt ratings to 'BB-' and 'BB' respectively, while it revised the outlook to stable from negative. The agency then affirmed the country's long-term foreign and local currency debt ratings at 'BB-' and 'BB' on 22 May 2020. R&I, on 5 June 2020, lowered the country's long-term foreign and local currency debt ratings to 'BBB-' and 'BBB' respectively, and maintained the negative outlook.

Subsequent to the tabling of the 2020 Medium Term Budget Policy Statement (MTBPS), Moody's and Fitch, on 20 November 2020, further downgraded the sovereign's credit ratings to 'Ba2' and 'BB-' respectively. Both agencies maintained a negative outlook. On the same day, S&P, contrary to Moody's and Fitch, affirmed the country's foreign and local currency ratings at 'BB-' and 'BB', respectively, and maintained a stable outlook. According to the agencies, lack and/or slow pace of structural reform implementation aimed at reviving economic growth and lack of a clear path towards government's debt stabilisation remain the main credit constraints. Further, the impact of the Covid-19 shock on the already deteriorating public finances exacerbates pressures on the country's ratings.

The table below shows the current ratings from the solicited rating agencies. R&I is the only rating agency that still has the country's credit ratings at investment grade. Credit ratings from Moody's and Fitch remain the most worrisome in the short term as they carry negative outlooks.

Herewith South Africa's Credit Ratings per solicited rating agency

Table: South Africa's Credit Ratings by R&I, S&P, Fitch and Moody's

Rating Agency	Latest credit rating action	Action	LTFC ¹	LTLC ²	Outlook
R&I	05 June 2020	Downgrade	BBB-	BBB	Negative
S&P	20 November 2020	Affirmation	BB-	BB	Stable
Fitch	20 November 2020	Downgrade	BB-	BB-	Negative
Moody's	20 November 2020	Downgrade	Ba2	Ba2	Negative

¹LTFC = Long Term Foreign Currency Rating, ²LTLC = Long Term Local Currency Rating.

29. Financial sustainability

Government expenditure has for the past few years exceeded its revenue base. This fiscal position began to develop in the wake of the 2008 financial crisis. GDP growth did not recover to pre-2008 levels following the crisis and South Africa fell behind other emerging economies. This decade long decline in South Africa's GDP growth together with the COVID-19 pandemic has magnified South Africa's social and economic crises of poverty and unemployment.

The COVID-19 pandemic led to a historic economic contraction and an unprecedented widening of the budget deficit and a spike in the stock of debt. Government debt has increased seven-fold from R577 billion in 2007/08 to over R4 trillion in 2021/22. A larger stock of debt means that interest payments absorb a growing share of national resources averaging about 5 per cent of GDP over the next two years. In addition, government will pay more approximately 21c of every Rand collected in revenue per year, over the next three years. This will make it very difficult for government to direct the much-needed funds to address the deeply entrenched poverty and unemployment.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2021

The economy has recovered more quickly than anticipated. Nevertheless, the recent spike in commodity prices, which has supported GDP growth and tax revenues, is considered temporary. Long-term structural constraints and scarring from the effects of the pandemic weigh on the outlook. Fiscal risks have increased.

South Africa's economy is expected to grow by 5.1 per cent in 2021, following a 6.4 per cent contraction in 2020. Over the medium term, economic and fiscal policy balance the need to restore jobs and support businesses, protect vulnerable groups, and implement a series of reforms needed to promote faster GDP growth.

Fiscal consolidation is critical to reduce the public debt burden, restore investor confidence and avoid overexposure to global and domestic risks. The MTBPS proposes to maintain restraint in public expenditure. Government will not commit to new long-term spending in response to temporary revenue windfalls. No additional funding is provided to state-owned companies over the medium-term.

Government remains committed to reducing the budget deficit and stabilising the debt-to-GDP ratio. Government will use part of the higher tax revenues associated with the recent commodity price surge to narrow the deficit, while increasing non-interest expenditure to support economic growth, job creation and social protection, and cover the higher costs of the public-service wage agreement.

Staying the course will enable government to bring fiscal consolidation to a close at the end of the forthcoming MTEF period, in 2024/25. The consolidated deficit will narrow from 7.8 per cent of GDP in 2021/22 to 4.9 per cent of GDP in 2024/25. Debt is expected to stabilise at 78.1 per cent of GDP by 2025/26, down from 88.9 per cent at time of the 2021 Budget. Debt stabilisation will greatly support recovery of the South African economy by reducing the cost of capital.

In line with government's commitment to support vulnerable households, particularly given the impact of COVID-19, additional resources for social relief will be considered, if the fiscal situation improves by February 2022. Over the next three years, spending will remain restrained. To avoid a widening of the budget deficit, changes to spending will be funded through improved revenue performance or through reprioritisation and reviewing existing programmes. Infrastructure projects will be financed through the Infrastructure Fund, using public-private partnerships and other funding arrangements to improve planning and speed up delivery.

Barring major new shocks or unbudgeted spending commitments, staying the course will lead to a primary fiscal surplus in 2024/25, bringing an end to fiscal consolidation at the end of the MTEF period. This consolidation will be supported by structural reforms to unlock private-sector investment and job creation.

South Africa strive towards a "better life for all". This can only be done in a fast-growing economy where investments increase, businesses will innovate and hire workers and people can earn an income. This will enable government to shift expenditure away from consumption towards growth-enhancing investment. Therefore, to maximise the value of spending, government needs to contain costs, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources.

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 1A STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2021

Name of Department	Appropriation Act		Funds transferred		Voted funds to be surrendered		Outstanding Request		Unauthorised Expenditure funded by NRF/PRF WP 5B		Unauthorised expenditure not funded by NRF/PRF WP 5B		Net Appropriation	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Presidency	572 920	572 920	572 920	55 093	-	-	-	-	-	-	517 827	-	517 827	
Parliament	2 015 845	2 015 843	2 015 843	-	-	-	-	-	-	-	2 015 843	-	2 015 843	
Cooperative Governance and Traditional Affairs	106 942 787	106 942 787	106 942 787	3 636 945	-	-	-	-	-	-	103 305 842	-	103 305 842	
Government Communication and Information	725 140	725 140	725 140	13 030	-	-	-	-	-	-	712 110	-	712 110	
Home Affairs	8 787 408	8 787 408	8 787 408	317 149	-	-	-	-	-	-	8 470 259	-	8 470 259	
International Relations and Cooperation	6 314 968	6 314 968	6 314 968	219 155	-	-	-	-	150 131	-	6 245 944	-	6 245 944	
National School of Government	227 407	227 407	227 407	5 804	-	-	-	-	-	-	221 603	-	221 603	
National Treasury	34 525 673	34 525 673	34 525 673	444 166	-	-	-	-	-	-	34 081 507	-	34 081 507	
Planning Monitoring and Evaluation	399 974	399 974	399 974	12 835	-	-	-	-	-	-	387 139	-	387 139	
Public Enterprise	77 606 906	77 606 906	77 606 906	103 506	-	-	-	-	-	-	77 503 400	-	77 503 400	
Public Service and Administration	468 895	468 895	468 895	38 309	-	-	-	-	-	-	430 586	-	430 586	
Public Service Commission	273 780	273 780	273 780	12 624	-	-	-	-	-	-	261 156	-	261 156	
Public Works and Infrastructure	7 724 379	7 724 379	7 724 379	193 345	-	-	-	-	-	-	7 531 034	-	7 531 034	
Statistics S A	3 131 573	3 131 573	3 131 573	440 259	-	-	-	-	-	-	2 691 314	-	2 691 314	
Traditional Affairs	161 685	161 685	161 685	24 162	-	-	-	-	-	-	137 523	-	137 523	
Basic Education	23 394 972	23 394 972	23 394 972	494 347	-	-	-	-	-	-	22 900 625	-	22 900 625	
Higher Education and Training	94 094 944	94 094 944	94 094 944	397 465	-	-	-	-	-	-	93 697 479	-	93 697 479	
Health	58 664 912	58 052 596	58 052 596	-	-	-	-	-	-	-	58 116 641	-	58 116 641	
Social Development	230 807 298	230 807 298	230 807 298	1 884 596	-	-	-	14 318	-	-	228 922 702	-	228 922 702	
Women	620 976	620 976	620 976	18 575	-	-	-	-	-	-	602 401	-	602 401	
Civilian Secretariat for Police	137 168	137 168	137 168	5 624	-	-	-	-	-	-	131 544	-	131 544	
Correctional Services	25 596 837	25 596 837	25 596 837	569 738	-	-	-	-	-	-	25 027 099	-	25 027 099	
Defence and Military Veterans	54 201 287	54 201 287	54 201 287	115 097	-	-	-	-	-	-	54 086 190	-	54 086 190	
Independent Police Investigative Directorate	340 976	340 976	340 976	37	-	-	-	-	-	-	340 939	-	340 939	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 1A (continued) STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2021

Name of Department	Appropriation Act	Funds transferred	Voted funds to be surrendered	Outstanding Request	Unauthorised Expenditure funded by NRF/PRF WP 5B	Unauthorised expenditure not funded by NRF/PRF WP 5B	Net Appropriation
	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Justice and Constitutional Development	18 666 284	18 666 284	780 802	-	-	-	17 885 482
Military Veterans	480 342	480 342	51 079	-	-	-	429 263
Office of the Chief Justice	1 188 121	1 188 121	116 249	-	-	-	1 071 872
Police	99 560 894	99 560 894	4 077 751	-	-	-	95 483 143
Agriculture Forestry and Fisheries	15 247 613	15 246 901	1 153 870	-	-	-	14 093 031
Communications and Digital Technologies	3 280 928	3 280 928	116 303	-	-	-	3 164 625
Employment and Labour	3 299 305	3 299 305	196 215	-	-	-	3 103 090
Environmental, Forestry and Fisheries	9 937 801	9 937 801	1 637 785	-	-	-	8 300 016
Human Settlements	29 079 019	29 077 021	301 484	-	-	-	28 775 537
Minerals Resources and Energy	7 567 050	7 567 050	382 101	-	-	-	7 184 949
Science and Innovation	7 278 287	7 278 287	113 022	-	-	-	7 165 265
Small Business Development	2 277 803	2 267 803	18 608	-	-	-	2 249 195
Sports, Arts and Culture	5 310 738	5 310 738	135 222	-	-	-	5 175 516
Tourism	1 426 860	1 426 860	34 611	-	-	-	1 392 249
Trade, Industry and Competition	9 273 272	9 273 272	233 558	-	-	-	9 039 714
Transport	57 354 735	56 495 397	-	578 418	-	-	57 073 815
Water and Sanitation	16 994 291	16 994 291	2 491 678	-	-	-	14 502 613
Total	1 025 962 053	1 024 477 687	20 842 199	592 736	6 506	199 858	1 004 428 082

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 1A STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2020

Name of Department	Appropriation Act	Funds transferred	Voted funds to be surrendered	Outstanding Request	Unauthorised Expenditure funded by NRF/PRF WP 5B	Unauthorised expenditure not funded by NRF/PRF WP 5B	Net Appropriation
	R 000				R 000	R 000	R 000
Presidency	691 354	691 354	59 913	-	-	-	631 441
Parliament	1 993 460	1 993 460	-	-	-	-	1 993 460
Communications	4 773 091	4 773 091	41 454	-	-	-	4 731 637
Cooperative Governance and Traditional Affairs	90 346 554	90 346 554	3 396 205	-	-	-	86 950 349
Home Affairs	9 527 704	9 527 704	187	-	-	-	9 527 517
International Relations and Cooperation*	6 508 515	6 508 515	391 931	-	251 969	-	6 368 553
National Treasury	30 691 720	30 691 720	857 632	-	-	-	29 834 088
Planning Monitoring and Evaluation	956 939	956 939	42 421	-	-	-	914 518
Public Enterprise	56 883 030	56 883 030	36 641	-	-	-	56 846 389
Public Service and Administration	993 343	993 343	38 378	-	-	-	954 965
Public Works	7 907 045	7 907 045	146 831	-	-	-	7 760 214
Statistics S A	2 514 368	2 514 368	11 846	-	50 940	-	2 553 462
Women	244 398	244 398	6 209	-	3 199	-	241 388
Basic Education	24 464 531	24 464 527	612 964	-	-	-	23 851 563
Higher Education and Training	89 039 710	89 039 710	227 256	-	-	-	88 812 454
Health	51 195 163	51 195 163	422 392	-	-	-	50 772 771
Social Development	184 721 972	184 721 972	125 384	-	15 133 788	-	199 730 376
Correctional Services*	25 316 882	25 316 882	132 124	-	-	-	25 184 758
Defence and Military Veterans	50 888 132	50 888 132	5 875	-	-	-	50 882 257
Independent Police Investigative Directorate	336 653	336 653	43	-	-	-	336 610
Justice and Constitutional Development	18 781 506	18 781 506	593 686	-	-	-	18 187 820

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 1A (continued) STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2020

Name of Department	Appropriation Act		Funds transferred		Voted funds surrendered		Outstanding Request		Unauthorised Expenditure funded by NRF/PRF WP 5B		Unauthorised expenditure not funded by NRF/PRF WP 5B		Net Appropriation	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Office of the Chief Justice	1 197 692	1 197 692	63 805	-	-	-	-	-	-	-	-	-	1 133 887	
Police	96 827 261	96 827 261	754 044	-	-	-	-	-	-	-	-	-	96 073 217	
Agriculture, Forestry and Fisheries	7 612 089	7 612 089	152 089	-	-	-	-	-	-	-	-	-	7 460 000	
Economic Development	989 643	989 643	23 284	-	-	-	-	-	-	-	-	-	966 359	
Energy	7 183 557	7 183 557	256 327	-	-	-	-	-	-	-	-	-	6 927 230	
Environmental Affairs	7 483 671	7 483 671	117 024	-	-	-	-	-	-	-	-	-	7 366 647	
Labour	3 433 199	3 433 199	217 322	-	-	-	-	-	-	-	-	-	3 215 877	
Minerals Resources	2 002 220	2 002 220	13 928	-	-	-	-	-	-	-	-	-	1 988 292	
Science and Technology	8 146 176	8 126 176	73 679	-	-	-	-	-	-	-	-	-	8 052 497	
Small Business Development	2 268 552	2 256 335	27 556	-	-	-	-	-	-	-	-	-	2 228 779	
Telecommunications and Postal Services	1 684 574	1 684 574	63 690	-	-	-	-	-	-	-	-	-	1 620 884	
Tourism	2 392 670	2 392 670	8 278	-	-	-	-	-	-	-	-	-	2 384 392	
Trade and Industry	10 084 727	10 084 727	115 121	-	-	-	-	-	-	-	-	-	9 969 606	
Transport	64 205 131	64 205 131	316 520	-	-	-	-	-	-	-	-	-	63 888 611	
Water and Sanitation	16 467 299	16 467 299	1 249 693	-	-	-	-	-	-	-	-	-	15 217 606	
Arts and Culture	4 572 085	4 572 085	227 518	-	-	-	-	-	-	-	-	-	4 344 567	
Human Settlements	33 861 914	33 861 914	516 361	-	-	-	-	-	-	-	-	-	33 345 553	
Rural Development and Land Reform	10 828 914	10 828 914	16 087	-	-	-	-	-	-	-	-	-	10 812 827	
Sport and Recreation S A	1 151 058	1 151 058	27 110	-	-	-	-	-	-	-	-	-	1 123 948	
Total	941 168 502	941 136 281	11 388 808	-	-	-	-	-	-	15 439 896	-	-	945 187 369	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 1B STATEMENT OF EQUITABLE SHARE/STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2021

Name of Department	Appropriation Act		Funds transferred		Statutory funds to be surrendered		Outstanding Request		Net Appropriation	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Presidency	7 715	7 715	7 715	2 015	-	-	-	5 700	-	-
Parliament	476 474	476 474	498 659	-	-	-	-	498 659	-	-
National Treasury										
Provinces	520 717 021	520 717 021	520 717 021	-	-	-	-	520 717 021	-	-
General Fuel Levy	14 026 878	14 026 878	14 026 878	-	-	-	-	14 026 878	-	-
Auditor General of South Africa	120 001	120 001	120 001	50 000	-	-	-	70 001	-	-
Section 70 of the PFMA payment										
Land and Agricultural Bank of South Africa(National Treasury)	74 366	74 366	74 366	-	-	-	-	74 366	-	-
South African Express Airways SOC Ltd(Public Enterprise)	143 395	143 395	143 395	-	-	-	-	143 395	-	-
South African Airways SOC Ltd (Public Enterprise)	266 903	266 903	-	-	-	-	266 903	266 903	-	-
State Debt Cost										
Interest	232 449 798	232 449 798	232 196 867	41 476	-	-	-	232 155 391	-	-
Management	60 000	60 000	3 218	132	-	-	-	3 086	-	-
Cost of raising loans	518 000	518 000	82 537 676	-	-	-	21 718	82 559 394	-	-
Higher Education and Training	10 174 611	10 174 611	12 412 974	-	-	-	-	12 412 974	-	-
Justice and Constitutional Development	2 442 459	2 442 459	2 442 459	295 698	-	-	-	2 146 761	-	-
Office of the Chief Justice	1 117 931	1 117 931	1 117 931	74 329	-	-	-	1 043 602	-	-
ALM (National Revenue Fund Payments)	588 341	588 341	588 341	-	-	-	-	588 341	-	-
Transport	10 997	10 997	-	-	-	-	-	-	-	-
Total	783 194 890	783 194 890	866 887 501	463 650	288 621	463 650	288 621	866 712 472	866 712 472	866 712 472

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 1B STATEMENT OF EQUITABLE SHARE/STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2020

Name of Department	Appropriation Act		Funds transferred		Statutory funds to be surrendered		Outstanding Request		Net Appropriation	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Presidency	7 254	7 254	7 254	1 546	-	5 708	-	-	5 708	-
Parliament	600 518	600 518	600 518	-	-	600 518	-	-	600 518	-
National Treasury	-	-	-	-	-	-	-	-	-	-
Provinces	505 553 753	505 553 753	505 553 753	-	-	505 553 753	-	-	505 553 753	-
General Fuel Levy	13 166 793	13 166 793	13 166 793	-	-	13 166 793	-	-	13 166 793	-
State Debt Cost	-	-	-	-	-	-	-	-	-	-
Interest	203 595 750	203 595 750	204 635 780	15 228	-	204 620 552	-	-	204 620 552	-
Management	15 000	15 000	16 529	-	511	17 040	-	-	17 040	-
Cost of raising loans	120 000	120 000	31 579 283	21 559	-	31 557 724	-	-	31 557 724	-
Higher Education and Training	18 576 305	18 576 305	18 283 844	-	-	18 283 844	-	-	18 283 844	-
Justice and Constitutional Development	2 263 695	2 263 695	2 263 695	163 529	-	2 100 166	-	-	2 100 166	-
Office of the Chief Justice	1 098 546	1 098 546	1 098 546	46 821	-	1 051 725	-	-	1 051 725	-
ALM (National Revenue Fund Payments) ¹	359 535	359 535	468 468	-	-	468 468	-	-	468 468	-
Transport	10 424	10 424	10 424	7 810	-	2 614	-	-	2 614	-
Total	745 367 573	745 367 573	777 684 887	256 493	511	777 428 905	511	511	777 428 905	511

¹National Revenue Fund payments (previously known as extra-ordinary payments) are also included in expenditure in line with global standards in particular the International Monetary Fund's Government Finance Statistics Manual 2001. Detailed information on these transactions is provided in working paper 4F.

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 1C

STATEMENT OF CRIMINAL ASSET RECOVERY ACCOUNT (CARA) RECEIPTS

	2020/21		2019/20	
	Amount Received R 000	Amount by Revenue Fund R 000	Amount Received R 000	Amount Received by Revenue Fund R 000
Non-operating Income Items				
CARA	85 835	85 835	159 642	159 642
Total	85 835	85 835	159 642	159 642

Working paper 2A

STATEMENT OF REVENUE COLLECTED BY SARS

Revenue Items	2020/21		2019/20	
	Amount Collected R 000	Amount Collected R 000	Amount Collected R 000	Amount Collected R 000
Taxation				
Income tax	718 180 427	772 684 785		
Value-added tax / Sales tax	331 196 848	346 760 767		
Fuel levy	71 837 171	75 406 845		
Customs duties	46 333 356	54 380 105		
Excise duties	34 154 986	48 513 717		
Skills Development Levy	12 250 229	18 486 280		
Environmental levy	11 069 424	10 681 065		
Transfer duties	7 606 047	7 119 627		
Securities transfer tax	5 422 275	6 240 209		
Road accident fund recoupment	3 665 644	4 768 315		
Southern African Customs Union member duties	2 460 570	3 485 353		
Estate duty	2 316 293	2 047 843		
Health promotion levy	2 113 606	2 512 790		
Other taxation revenue	907 433	867 500		
Air Passenger tax	138 465	1 068 258		
State miscellaneous revenue	58 461	742 798		
Total Taxation	1 249 711 235	1 355 766 257		

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 2A (continued) STATEMENT OF REVENUE COLLECTED BY SARS

Revenue Items	2020/21		2019/20	
	Amount Collected	R 000	Amount Collected	R 000
Non-taxation				
Road accident fund levy	40 628 194		42 755 355	
Unemployment Insurance Fund (UIF)	18 395 499		20 100 561	
Mineral and petroleum resource royalty	14 227 647		11 830 241	
Other non-taxation revenue	(105 789)		(25 130)	
Total Non-taxation	73 145 551		74 661 027	
Total Revenue	1 322 856 786		1 430 427 284	
Less: South African Customs Union Agreement	63 395 241		50 280 312	
Less: Payment in terms of sec 12(3) of the PFMA	-		58	
Less: Payment to UIF	16 714 800		18 204 772	
Less: Payable by SARS to UIF	1 680 699		1 895 789	
Less: Payment to RAF	40 559 570		42 632 836	
Less: Payable by SARS to RAF	(53 895)		(413 967)	
Net Revenue for the Year	1 200 560 371		1 317 827 484	
Amount payable by SARS to UIF				
Amount collected by SARS	18 395 499		20 100 561	
Less: Amount requested by UIF	16 714 800		18 204 772	
	1 680 699		1 895 789	
Amount payable by SARS to RAF				
Amount collected by SARS	40 628 194		42 755 355	
Less: Amount requested by RAF	40 559 570		42 632 836	
Sub total	68 624		122 519	
Recover/(refund) of receivable/(payable)	(122 519)		(536 486)	
Total amount payable by SARS to RAF	(53 895)		(413 967)	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 2B STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2021

Name of Department	National Revenue Fund receipts	Sales of goods and services other than capital assets	Fines penalties and forfeits	Interest dividends and rent on land	Sale of capital assets	Financial transactions in assets and liabilities	Transfers received	Total received	Amount Received by Revenue Fund
The Presidency	-	283	-	12	-	326	-	621	650
Cooperative Governance	-	207	-	619	-	11 035	-	11 861	2 374
Home Affairs	-	290 195	768	499	2 951	9 176	-	303 589	317 614
International Relations and Cooperation	-	1 234	-	445	767	99 332	-	101 778	116 586
National Treasury	-	9 901	-	6 838 487	-	76 386	-	6 924 774	7 660 148
Planning Monitoring and Evaluation	-	87	-	13	7	2 003	-	2 110	2 125
Public Enterprises	-	69	-	-	715	9 955	-	10 739	10 709
Public Service & Administration	-	182	-	4	-	497	-	683	322
Public Works and Infrastructure	-	316	-	-	7 553	-	1 207	9 076	16 420
Statistics SA	-	827	-	302	1	1 229	-	2 359	2 264
Women	-	55	-	-	43	120	-	218	216
Basic Education	-	1 941	-	1 031	-	401	-	3 373	3 687
Higher Education and Training	-	8 582	-	1 426	-	8 455	-	18 463	16 857
Health	-	3 301	336	-	136	-	-	3 773	3 077
Social Development	-	-	-	2 491	-	21 485	-	23 976	299 940
Correctional Services	-	63 936	7 032	718	1 331	35 738	-	108 755	109 895
Defence	-	398 125	1 547	4 283	5 947	92 559	421 144	923 605	959 196
Independent Police Investigative Directorate	-	119	-	12	-	140	-	271	268
Justice and Constitutional Development	-	118 949	191 246	3 066	282	22 370	1 422	337 335	306 366
Office of the Chief Justice	-	588	-	-	212	1 898	-	2 698	2 284
Police	-	344 376	86 282	3 058	108 533	130 201	-	672 450	672 419
Environmental Affairs	-	40 745	341	6 440	2 087	27 922	-	77 535	77 960
Employment and Labour	-	4 774	100	785	138	3 385	-	9 182	9 159
Mineral Resources and Energy	-	12 732	2 878	10 668	-	254 651	-	280 929	2 78 880

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 2B (continued) STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2021

Name of Department	National Revenue Fund receipts	Sales of goods and services other than capital assets	Fines penalties and forfeits	Interest dividends and rent on land	Sale of capital assets	Financial transactions in assets and liabilities	Transfers received	Total received	Amount Received by Revenue Fund
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Science and Innovation	-	71	-	13	-	2 157	-	2 241	2 226
Small Business Development	-	58	-	3	121	118	-	300	299
Communication and Digital Technologies	-	95	-	104 821	639	173	-	105 728	105 585
Tourism	-	169	-	1 221	16	10 451	-	11 857	11 578
Trade, Industry and Competition	-	698	63 675	678	65	71 755	3 376	140 247	150 260
Transport	-	645	-	114	-	866	-	1 625	5 795
Water and Sanitation	-	1 767	-	1 056	35	19 932	-	22 790	4 694
Sports, Arts & Culture	-	243	-	4	234	161	-	642	666
Human Settlements	-	206	-	30	-	129	-	365	400
Agriculture, Land Reform and Rural Development	-	228 822	1	18 806	-	12 838	22	260 489	255 946
Centre for Public Service Innovation	-	5	-	-	-	3	-	8	6
Civil Secretariat for police	-	75	-	-	-	-	-	75	87
Government Communication and Information	-	870	-	94	-	91	-	1 055	988
Military Veterans	-	38	-	-	-	1 068	-	1 106	1 313
National School of Government	-	41	-	8	26	117	-	192	178
Public Service Commission	-	121	-	42	-	681	-	844	544
Traditional Affairs	-	59	-	-	-	-	-	59	59
Refunds for previous financial years	-	-	(15 151)	-	-	-	-	(15 151)	(15 151)
Police	-	-	354 206	7 001 249	131 839	929 804	427 171	10 364 625	11 394 889
Total	-	1 520 356	354 206	7 001 249	131 839	929 804	427 171	10 364 625	11 394 889

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2020

Working paper 2B

STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2020

Name of department	National Revenue Fund receipts		Sales of goods and services other than capital assets		Fines penalties and forfeits		Interest dividends and rent on land		Sale of capital assets		Financial transactions in assets and liabilities		Transfers received		Total received		Amount Received by Revenue Fund	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
The Presidency	-	298	-	32	-	254	-	266	-	850	-	840	-	850	-	840	-	840
Communication	-	26	-	1 229	-	-	-	358	-	1 613	-	1 855	-	1 613	-	1 855	-	1 855
Cooperative Governance	-	210	-	620	-	253	-	494	-	1 577	-	43 891	-	1 577	-	43 891	-	43 891
Home Affairs	-	1 008 968	-	2 184	23 146	1 503	16 590	507	1 052 898	507	1 046 006	-	1 052 898	-	1 046 006	-	1 046 006	
International Relations and Cooperation	-	1 231	-	798	43	4 472	52 223	-	58 767	-	52 999	-	58 767	-	52 999	-	52 999	
National Treasury	-	75 445	-	8 303 466	-	35	260 141	-	8 639 087	-	7 855 013	-	8 639 087	-	7 855 013	-	7 855 013	
Planning Monitoring and Evaluation	-	101	-	36	-	38	6 640	-	6 815	-	6 798	-	6 815	-	6 798	-	6 798	
Public Enterprises	-	65	-	-	-	-	44	-	109	-	109	-	109	-	109	-	109	
Public Service & Administration	-	181	-	3	-	277	286	-	747	-	797	-	747	-	797	-	797	
Public Works	-	305	-	25 652	-	139	971	-	27 067	-	13 818	-	27 067	-	13 818	-	13 818	
Statistics SA	-	827	-	334	-	2	609	-	1 772	-	1 698	-	1 772	-	1 698	-	1 698	
Women	-	53	-	10	-	-	71	-	134	-	192	-	134	-	192	-	192	
Basic Education	-	3 044	-	11 137	-	-	1 529	-	15 710	-	19 725	-	15 710	-	19 725	-	19 725	
Higher Education and Training	-	12 192	-	2 007	-	429	8 131	-	22 759	-	22 878	-	22 759	-	22 878	-	22 878	
Health	-	3 713	-	3 554	-	298	369	-	7 934	-	8 594	-	7 934	-	8 594	-	8 594	
Social Development	-	1	-	2 601	-	-	270 432	-	273 034	-	79 765	-	273 034	-	79 765	-	79 765	
Correctional Services	-	63 424	-	1 827	16 165	5 567	44 022	-	131 005	-	130 102	-	131 005	-	130 102	-	130 102	
Defence	-	764 759	-	6 010	1 804	2 504	157 203	-	1 289 155	-	1 304 472	-	1 289 155	-	1 304 472	-	1 304 472	
Independent Police Investigative Directorate	-	117	-	12	-	61	123	-	313	-	317	-	313	-	317	-	317	
Justice and Constitutional Development	-	173 075	-	11 030	211 573	5 612	15 713	-	423 528	-	416 441	-	423 528	-	416 441	-	416 441	
Office of the Chief Justice	-	659	-	1	6	262	1 967	-	2 895	-	2 975	-	2 895	-	2 975	-	2 975	
Police	-	331 208	-	1 755	43 394	85 536	139 810	-	601 703	-	594 889	-	601 703	-	594 889	-	594 889	
Agriculture, Forestry and Fisheries	-	201 211	-	2 776	30	6 183	8 093	-	218 632	-	219 677	-	218 632	-	219 677	-	219 677	

* See disclosure note on restatements for more details

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 2B (continued)

STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2020

Name of department	National Revenue Fund receipts	Sales of goods and services other than capital assets		Fines penalties and forfeits		Interest dividends and rent on land		Sale of capital assets		Financial transactions in assets and liabilities		Transfers received		Total received		Amount Received by Revenue Fund	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Economic Development	-	28	61 250	370	-	19	-	-	-	19	-	-	61 667	61 667	61 667	61 667	61 667
Energy	-	4 121	-	3	-	142	-	-	-	142	764	-	5 030	5 030	53 593	53 593	53 593
Environmental Affairs	-	2 940	4 033	7 410	-	94 014	-	120	-	94 014	-	-	108 517	108 517	94 624	94 624	94 624
Labour	-	5 009	853	1 381	-	4 400	-	723	-	4 400	-	-	12 366	12 366	12 438	12 438	12 438
Mineral Resources	-	11 126	3 129	21 250	-	292	-	2 379	-	292	-	-	38 176	38 176	34 430	34 430	34 430
Science and Technology	-	69	-	13	-	19 334	-	-	-	19 334	-	-	19 416	19 416	19 415	19 415	19 415
Small Business Development	-	58	-	26	-	23 028	-	145	-	23 028	-	-	23 257	23 257	23 287	23 287	23 287
Telecommunications	-	82	-	664 637	-	(1 612)	-	484	-	(1 612)	360	-	663 951	663 951	663 522	663 522	663 522
Tourism	-	166	-	179	-	3 651	-	254	-	3 651	-	-	4 250	4 250	4 419	4 419	4 419
Trade and Industry	-	746	139	7 895	-	91 798	-	32	-	91 798	5 453	-	106 063	106 063	85 738	85 738	85 738
Transport*	-	1 462	-	42 593	-	5 888	-	-	-	5 888	-	-	49 943	49 943	45 309	45 309	45 309
Water and Sanitation	-	1 977	1 310	3 561	-	8 130	-	379	-	8 130	-	-	15 357	15 357	15 361	15 361	15 361
Arts & Culture	-	235	-	47	-	368	-	221	-	368	-	-	871	871	871	871	871
Human Settlements	-	204	-	136	-	340	-	180	-	340	-	-	860	860	790	790	790
Rural Development and Land Reform	-	28 699	-	47 471	-	44 802	-	2 425	-	44 802	-	-	123 397	123 397	143 975	143 975	143 975
Sport and Recreation	-	66	-	2	-	105	-	39	-	105	-	-	212	212	176	176	176
Centre for Public Service Innovation	-	5	-	1	-	-	-	-	-	-	-	-	6	6	5	5	5
Civil Secretariat for police	-	71	-	-	-	-	-	-	-	-	-	-	71	71	126	126	126
Government Communication and Information	-	1 149	-	321	-	257	-	-	-	257	-	-	1 727	1 727	1 747	1 747	1 747
Military Veterans	-	41	-	-	-	1 042	-	-	-	1 042	-	-	1 083	1 083	418	418	418
National School of Government	-	44	-	81	-	153	-	69	-	153	-	-	347	347	309	309	309
Public Service Commission	-	117	-	92	-	441	-	-	-	441	-	-	650	650	706	706	706
Traditional Affairs	-	50	-	-	-	-	-	-	-	-	-	-	50	50	49	49	49
Refunds for previous financial years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	(6118)	-	-	-	-	-	-	-	-	-	(6118)	(6118)	(6118)	(6118)	(6118)
Total	-	2 699 578	360 757	9 174 543	120 875	1 282 677	370 823	14 009 253	13 080 708	13 080 708	13 080 708	13 080 708	13 080 708	13 080 708	13 080 708	13 080 708	13 080 708

* See disclosure note on restatements for more details

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 2C

STATEMENT OF NATIONAL REVENUE FUND RECEIPTS

Items	2020/21		2019/20	
	Amount Received by Revenue Fund		Amount Received by Revenue Fund	
	R	000	R	000
Non- Cash	25 769 916		12 801 334	
Revenue Fund Receipts: Penalties on Retail Bonds	1 811		2 345	
Revenue Fund Receipts: Premium Received	14 328 319		3 462 654	
Revenue Fund Receipts: Premium on Bonds issued	11 042 461		378 078	
Revenue Fund Receipts: Profit on Foreign Currency Investment	397 326		8 958 256	
Total	25 769 916		12 801 334	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 3A STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS

Name of Department	2020/21		2019/20	
	Appropriated funds/ Equitable Share	R 000	Appropriated funds/ Equitable Share	R 000
Presidency	61 460		47 337	
Cooperative Governance and Traditional Affairs	3 374 925		3 118 627	
Home Affairs	187		200	
International Relations and Cooperation	445 439		182 530	
Performance Monitoring and Evaluation	42 421		83 281	
Public Works	146 833		34 777	
Women	6 209		7 855	
Communications	82 910		28 126	
National Treasury	857 632		1 057 940	
Asset and Liability Management	36 785		20 236	
Public Enterprise	36 641		48 122	
Public Service and Administration	38 378		24 641	
Statistics S A	11 846		17 704	
Arts and Culture	227 519		100 753	
Basic Education	611 651		284 816	
Health	422 391		388 308	
Higher Education and Training	227 256		200 335	
Labour	217 323		196 179	
Social Development	125 384		15 223	
Sport and Recreation S A	26 402		14 764	
Correctional Services	131 804		103 326	
Defence and Military Veterans	5 875		4 162	
Independent Police Investigative Directorate	43		282	
Justice	757 215		444 875	
Chief Justice	110 626		27 728	
Police	754 044		1 255 419	
Agriculture Forestry and Fisheries	152 089		158 714	
Telecommunications	63 689		12 272	
Economic Development	23 285		28 587	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 3A (continued)

STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS

Name of Department	2020/21		2019/20	
	Appropriated funds/ Equitable Share	R 000	Appropriated funds/ Equitable Share	R 000
Energy	256 327		73 293	
Environmental Affairs	117 024		-	
Human Settlements	516 369		260 458	
Minerals Resources	13 927		10 538	
Rural Development and Land Reform	22 430		144 143	
Science and Technology	73 679		65 813	
Small Business Development	27 556		68 935	
Tourism	8 277		27 016	
Trade and Industry	122 614		41 516	
Transport	324 331		645 064	
Water Affairs	2 499 386		76 754	
	12 980 183		9 320 649	
Refunds	(1 298 638)		(148 371)	
Water and Sanitation	(1 249 693)		(114 654)	
Water and Sanitation: Reallocation to other surrenders	-		114 654	
Communication	(41 455)		-	
Trade Industry and Competition	(7 490)		-	
Environmental Affairs	-		(33 717)	
Total	11 681 545		9 286 932	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 3B

STATEMENT OF OTHER SURRENDERS

Name of Department	2020/21		2019/20	
	Amount Surrendered R 000	R 000	Amount Surrendered R 000	R 000
Other Surrenders	1 202 176	629 436		
Parliament	-	23 789		
National School of Government	4 919	2 157		
Public Service Commission	3 700	431		
Various received in excess	-1	12		
Arts and Culture : Mail Project	-	74		
Military Veterans	175 287	85 109		
Centre for Public Service Innovation	8 581	2 308		
Government Communication and Information System	13 116	12 306		
Government Printers	-	200 000		
Traditional Affairs	7 635	9 043		
Civilian Secretariat Police	5 617	13 684		
Human Settlement	117 700	-		
Women	4 510	-		
Environmental Affairs	23 001	-		
Telecommunication and Digital Technologies	1	-		
Tourism	838 110	-		
Transport: Driving Licence Card Account	-	272 898		
Health	-	7 625		
Public Entities	1 610 084	664 022		
Marine Living Resources	160 700	-		
SASSA	1 061 560	-		
Independent Development Trust	156 977	-		
Deeds Office	-	14 300		
South African National Accreditation System (SANAS)	17 863	-		
National Regulator for Compulsory Specifications (NRCS)	88 510	-		
National Consumer Commission	34 974	-		
Companies Tribunal	14 700	-		

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 3B (continued)

STATEMENT OF OTHER SURRENDERS

Name of Department	2020/21		2019/20	
	Amount Surrendered	R 000	Amount Surrendered	R 000
Companies and Intellectual Properties Commission	74 800	-	245 400	22 700
National Credit Regulator	-	-	631	2 000
Housing Development Agency	-	-	197 691	58 200
National Library - Arts and Culture	-	-	-	-
ALHA - Rural Development	-	-	-	-
Economic Development: SEDA	-	-	-	-
Conditional Grants	552 104	1 309 955		
Basic Education: Gauteng	30 579	-	36 564	7 800
Basic Education: Free State	-	-	62 632	14 471
Basic Education: Limpopo	-	-	535	2 350
Basic Education: Eastern Cape	-	-	28 018	379 872
Basic Education: Northern Cape	-	-	2 385	161 708
Basic Education: Mpumalanga	-	-	2 993	1 391
Health: Eastern Cape	-	-	10 496	7 133
Health: Gauteng	-	-	2 385	345
Human Settlement: Free State	-	-	168	6 715
Human Settlement: North West	-	-	5 485	78
Human Settlement: Gauteng	-	-	-	-
Human Settlement: Limpopo	-	-	-	-
Human Settlement: Mpumalanga	-	-	-	-
Human Settlement: Northern Cape	-	-	-	-
Human Settlement: Eastern Cape	-	-	-	-
Arts & Culture: Northern Cape	260 901	-	-	-
Arts & Culture: Mpumalanga	-	-	-	-
Arts & Culture: Limpopo	-	-	-	-
Arts & Culture: Free State	-	-	-	-
Arts & Culture: Eastern Cape	-	-	-	-

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 3B (continued) STATEMENT OF OTHER SURRENDERS

Name of Department	2020/21		2019/20	
	Amount Surrendered	R 000	Amount Surrendered	R 000
Arts & Culture: Gauteng	-	-	18 606	
Arts & Culture: North West	-	-	15 880	
Arts & Culture: KwaZulu-Natal	-	-	31	
Public Works: Eastern Cape	12 398		1 798	
Public Works: Free State	-	-	773	
Public Works: Gauteng	-	-	1 257	
Public Works: Limpopo	-	-	4 629	
Public Works: Mpumalanga	-	-	1 318	
Public Works: KwaZulu-Natal	-	-	808	
Public Works: North West	-	-	2 191	
Public Works: Northern Cape	-	-	2 464	
Sports and Recreation: Northern Cape	-	-	179	
Sports and Recreation: North West	-	-	1 898	
Sports and Recreation: Limpopo	-	-	882	
Sports and Recreation: Free State	-	-	117 549	
Sports and Recreation: Gauteng	-	-	1 272	
Sports and Recreation: Western Cape	-	-	15	
Sports and Recreation: KwaZulu Natal	-	-	1	
Social Development: Eastern Cape	14 378		4 745	
Social Development: Gauteng	-	-	18 441	
Social Development: Free State	-	-	19 823	
Social Development: Limpopo	-	-	3 569	
Social Development: Mpumalanga	-	-	2 333	
Social Development: Northern Cape	-	-	3 209	
Social Development: Western Cape	-	-	1 636	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 3B (continued)

STATEMENT OF OTHER SURRENDERS

Name of Department	2020/21		2019/20	
	Amount Surrendered	R 000	Amount Surrendered	R 000
Agriculture: Eastern Cape	173 351		18 899	
Agriculture: Free State	-		24 498	
Agriculture: Gauteng	-		1 481	
Agriculture: KwaZulu-Natal	-		487	
Agriculture: Limpopo	-		38	
Agriculture: Mpumalanga	-		400	
Agriculture: North West	-		9 400	
Cooperative Governance: Gauteng	54		55 945	
Transport: Limpopo	-		1 637	
Transport: Free State	-		215 934	
Transport: Gauteng	-		3 378	
Transport: Mpumalanga	-		5	
Transport: Northern Cape	-		2 847	
Transport: Eastern Cape	-		1 637	
Treasury: Mpumalanga	-		215 934	
Municipalities	162 659		318 742	
Local Government Surrender	162 659		318 742	
Refunds	(838 110)		-	
Tourism	(838 110)		-	
Water and Sanitation	-		(114 654)	
Total	2 688 913		2 807 501	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 3C

STATEMENT OF OTHER REVENUE RECEIVED

Name of Department	2020/21		2019/20	
	Amount to be Received R 000	Amount Received by Revenue Fund R 000	Amount to be Received R 000	Amount Received by Revenue Fund R 000
Reallocated from Departmental Revenue		1 725 266		1 554 525
Department of Communication: ICASA	-	1 504 914	-	1 490 587
DTI: Various entities		1 106		5 250
Economic Development: Competition Commission		209 625		58 688
Home Affairs: Immigration Control Account		1 485		-
Presidency: Ford foundation		8 136		-
Other		76 860		85 481
Prevention of Organised Crime Act (POCA)		2 617		3 166
Financial Intelligence Centre (FIC)		28 000		78 984
Asset Forfeiture Unit		44 743		2 331
SARB: Brightrock Life		1 500		1 000
Total	-	1 802 126	-	1 640 006

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 4A

STATEMENT OF AMOUNTS TRANSFERRED TO DEPARTMENTS FOR PREVIOUS APPROPRIATED FUNDS

Name of Department	2020/21		2019/20	
	Equitable Share	Amount Transferred	Equitable Share	Amount Transferred
	R 000	R 000	R 000	R 000
Asset and Liability Management	511	511	76	76
Chief Justice	-	-	98	98
Environmental Affairs	-	-	372 528	372 528
Total	511	511	372 702	372 702

Working paper 4B

STATEMENT OF OTHER EXPENDITURE

NOT APPLICABLE TO NRF

Working paper 4C

STATEMENT OF CRIMINAL ASSET RECOVERY ACCOUNT (CARA) PAYMENTS

Name of Department	2020/21		2019/20	
	Amount Approved	Amount transferred by Revenue Fund	Amount Approved	Amount transferred by Revenue Fund
	R 000	R 000	R 000	R 000
CARA	150 699	150 699	147 472	147 472
Total	150 699	150 699	147 472	147 472

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 4D

STATEMENT OF APPROPRIATED FUNDS NOT RECEIVED FROM NATIONAL GOVERNMENT

NOT APPLICABLE TO NRF

■ Working paper 4E

STATEMENT OF OTHER EXPENDITURE IN TERMS OF AN ACT OF PARLIAMENT (With Funding)

NOT APPLICABLE TO NRF

■ Working paper 4F

STATEMENT OF ADDITIONAL INFORMATION ON NATIONAL REVENUE FUND PAYMENTS

Items	2020/21		2019/20	
	Amount to be Transferred R 000	Amount Transferred by Revenue Fund R 000	Amount to be Transferred R 000	Amount Transferred by Revenue Fund R 000
GFEORA	111 331		11 042 461	
Premium paid	410 339		397 326	
Loss on Scriptlending	66 520		(0)	
Loss on Foreign Currency Investment	151		-	
Total	588 341	-	11 439 787	-

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 5A

STATEMENT OF APPROPRIATION FOR UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2021

Name of Department	Finance Act No	Financial Year	Unauthorised approved by Finance Act				Without Funding	
			With Funding		Without Funding		Amount Approved Not funded by Revenue Fund	R 000
			Amount Approved Funded by Revenue Fund	Amount Transferred	Amount Approved Not funded by Revenue Fund	Amount Transferred		
R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	
No Finance Act Passed								
Total			-	-	-	-	-	-

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 5A

STATEMENT OF APPROPRIATION FOR UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2020

Name of Department	Unauthorised approved by Finance Act					
	Finance Act Act No	Financial Year	With Funding			Without Funding
			Amount Approved Funded by Revenue Fund R 000	Amount Transferred R 000	Amount Not funded by Revenue Fund R 000	Amount Approved Not funded by Revenue Fund R 000
No Finance Act Passed						
Total			-	-	-	-

Working paper 5B

STATEMENT OF UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2021

Name of Department	Unauthorised Reported		Unauthorised funded by Revenue Fund and surrendered by departments	
	Revenue Fund (Exceeding of vote) From Working Paper 1A, 1B & 1D	Funded by Revenue Fund	Financial Year	Amount
	R 000	R 000		R 000
International Relations and Cooperation	150 131			
Health	49 727			
Total	199 858	-		-

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 5B

STATEMENT OF UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2020

Name of Department	Unauthorised Reported		Unauthorised funded by Revenue Fund and surrendered by departments	
	Not funded by Revenue Fund (Exceeding of vote) From Working Paper 1A 1B & 1D	Funded by Revenue Fund	Financial Year	Amount
	R 000	R 000	R 000	R 000
Transport	-		2018/2019	980
International Relations and Cooperation	251 969			
Statistics SA	50 940			
Women	3 199			
Social Development	15 133 788			
Total	15 439 896	-		980

*See disclosure note on restatement

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 6

STATEMENT OF FINANCIAL INSTRUMENTS VALUATION AND CAPITAL SUBSCRIPTION OF INVESTMENTS

	2020/21	2019/20
	Amount	Amount
	R 000	R 000
Capital Subscription on Investments		
Paid up Shares in New Development Bank	1 157 393	8 771 385
Financial Instrument Valuation	(29 385 804)	(86 215 544)
Foreign revaluation reconciliation	50 691 561	(96 965 388)
ALM - Movement on Paymaster General Account	48 465	376 086
Increase/(decrease) in Investments	(27 996 185)	75 757 335
Increase/(decrease) in Multi-Lateral Institutions	(27 197 498)	(80 537 345)
Revaluation Exchequer Investments including net movement of ALM restatement	(24 932 146)	15 153 766
Rounding	(2)	2
Total	(28 228 411)	(77 444 159)
MOVEMENT IN CAPITAL SUBSCRIPTION OF INVESTMENTS		
New Development Bank purchase price in 2020/21	(19 789 988)	22 489 425
Value of subscription: 1 April 2020	(20 108 400)	17 020 500
Additional Purchase: Value of subscription	318 413	5 468 925
MOVEMENT ON MULTILATERAL INSTITUTIONS	15 831 990	(17 991 540)
Value of subscription: 1 April 2020	20 108 400	(17 020 500)
Additional Purchase: Value of subscription	(318 413)	(5 468 925)
Net Investment: 1 April 2020	(4 021 680)	3 404 100
Additional Purchase: Net Investment	63 683	1 093 785
Nett movement	(3 957 998)	4 497 885

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 7A

STATEMENT OF CURRENT INVESTMENTS

NOT APPLICABLE TO NRF

Working paper 7B

STATEMENT OF NON-CURRENT INVESTMENTS

Investee	2020/21			2019/20		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	R 000	R 000	R 000	R 000	R 000	R 000
International Monetary Fund quota subscription		63 986 569	63 986 569		74 502 890	74 502 890
African Development Bank		59 041 287	59 041 287		71 384 722	71 384 722
International Bank for Reconstruction and Development		32 281 356	32 281 356		38 494 197	38 494 197
International Monetary Fund SDR Holding		31 402 750	31 402 750		36 553 813	36 553 813
International Finance Corporation		1 965 162	1 965 162		311 625	311 625
Multilateral Investment Guarantee Agency		266 098	266 098		321 730	321 730
New Development Bank						
Paid up Shares		24 415 628	24 415 628		23 258 235	23 258 235
Callable Shares		97 662 510	97 662 510		93 032 940	93 032 940
Total		311 021 360	311 021 360		337 860 152	337 860 152

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 8A

STATEMENT OF DOMESTIC BORROWINGS AS AT 31 MARCH 2021

	Opening balance as at 1 April 2020	Issued	Repaid	Closing balance as at 31 March 2021		
				Total	Current	Non-current
	R 000	R 000	R 000	R 000	R 000	R 000
Borrowings						
Domestic long-term	2 427 915 534	602 998 667	-	3 030 914 202	-	3 030 914 202
Domestic long-term bonds debentures and other loans	2 305 196 734	602 998 667	-	2 908 195 402	-	2 908 195 402
Former Regional Authorities	38 867	-	-	38 867	-	38 867
Transfer to short term	(36 442 124)	-	-	(36 442 124)	-	(36 442 124)
Revaluation of inflation bonds	159 122 056	-	-	159 122 056	-	159 122 056
Domestic short-term	470 082 069	1 101 260 209	1 058 990 081	512 352 196	512 352 196	-
Debt at 1 April	32 212 012	4 891 996	57 949 770	(20 845 762)	(20 845 762)	-
Bonds created	(8 423 090)	-	-	(8 423 090)	(8 423 090)	-
Bonds reduced	(23 788 921)	-	-	(23 788 921)	(23 788 921)	-
Transfer from long-term as at 31 March 2019	53 057 774	-	-	53 057 774	53 057 774	-
Transfer from long-term as at 31 March 2020	56 301 955	-	-	56 301 955	56 301 955	-
Revaluation of inflation bonds	-	-	-	-	-	-
Treasury Bills	333 433 015	672 792 773	550 182 513	456 043 275	456 043 275	-
Other Loans	27 289 324	423 575 440	450 857 799	6 965	6 965	-
Rounding	-	-	(1)	-	-	-
Total	2 897 997 603	1 704 258 876	1 058 990 081	3 543 266 397	512 352 196	3 030 914 202

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 8A

STATEMENT OF DOMESTIC BORROWINGS AS AT 31 MARCH 2020

	Opening balance as at 1 April 2019		Issued	Repaid	Closing balance as at 31 March 2020		
	R 000				Total	Current	Non-current
	R 000	R 000			R 000	R 000	R 000
Borrowings							
Domestic long-term	2 089 773 253	349 658 583		4	2 460 337 455	2 460 337 455	
Domestic long-term bonds debentures and other loans	2 008 595 925	349 658 583		-	2 358 254 508	2 358 254 508	
Former Regional Authorities	38 871	-		4	38 867	38 867	
Transfer to short term	(53 057 774)	-		-	(53 057 774)	(53 057 774)	
Revaluation of inflation bonds	155 101 854	-		-	155 101 854	155 101 854	
Domestic short-term	409 914 623	960 163 720		956 298 230	413 780 114	413 780 114	
Debt at 1 April	15 998 394	(8 423 090)		23 788 921	(16 213 618)	(16 213 618)	
Bonds created	(2 688 713)	-		-	(2 688 713)	(2 688 713)	
Bonds reduced	(24 385 631)	-		-	(24 385 631)	(24 385 631)	
Transfer from long-term as at 31 March 2019	43 287 962	-		-	43 287 962	43 287 962	
Transfer from long-term as at 31 March 2018	53 057 774	-		-	53 057 774	53 057 774	
Revaluation of inflation bonds	-	-		-	-	-	
Treasury Bills	307 432 585	550 928 647		524 928 217	333 433 015	333 433 015	
Other loans	17 212 252	417 658 164		407 581 092	27 289 324	27 289 324	
Total	2 499 687 876	1 309 822 303		956 298 234	2 874 117 569	2 460 337 455	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 8B

STATEMENT OF FOREIGN BORROWINGS AS AT 31 MARCH 2021

Borrowings	Opening balance as at 1 April 2020	Issued	Repaid	Closing balance as at 31 March 2021	
				Total	Non-current
	R 000	R 000	R 000	R 000	R 000
Borrowings					
Current borrowings	11 976 102	-	7 960 585	4 015 517	-
Loans	7 960 585	-	7 960 585	-	-
Transfer from long-term	1 995 428	-	-	1 995 428	-
Revaluation	2 020 089	-	-	2 020 089	-
Non-current borrowings	296 499 091	91 919 747	-	388 418 838	388 418 838
Loans	260 487 312	91 919 747	-	352 407 059	352 407 059
Transfer to short-term	(1 995 428)	-	-	(1 995 428)	(1 995 428)
Revaluation	38 007 207	-	-	38 007 207	38 007 207
Total	308 475 193	91 919 747	7 960 585	4 015 517	388 418 838

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 8B

STATEMENT OF FOREIGN BORROWINGS AS AT 31 MARCH 2020

	Opening balance as at 1 April 2019	Issued	Repaid	Closing balance as at 31 March 2020		
				Total	Current	Non-current
	R 000	R 000	R 000	R 000		
Borrowings						
Current borrowings	61 941 677	6 705 864	53 981 092	14 666 449	14 666 449	-
Loans	26 952 291	-	26 952 291	-	-	-
Transfer from long-term	7 960 585	-	-	7 960 585	7 960 585	-
Revaluation	27 028 801	6 705 864	27 028 801	6 705 864	6 705 864	-
Non-current borrowings	229 371 917	188 122 891	44 936 605	372 558 203	-	372 558 203
Loans	192 395 898	76 052 000	-	268 447 898	-	268 447 898
Transfer to short-term	(7 960 586)	-	-	(7 960 586)	-	(7 960 586)
Revaluation	44 936 605	112 070 891	44 936 605	112 070 891	-	112 070 891
Total	291 313 594	194 828 755	98 917 697	387 224 652	14 666 449	372 558 203

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 8C STATEMENT OF CHANGES IN BORROWINGS

	2020/21				2019/20							
	Received		Paid		Increase/Decrease		Received		Paid		Increase/Decrease	
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Other financing activities												
Treasury Bills	672 792 773	550 182 513	122 610 260	550 928 647	550 928 647	524 928 217	26 000 430					
IGCC	423 571 943	450 855 321	(27 283 378)	417 659 184	417 659 184	407 582 815	10 076 369					
Late request non-voted: ALM	6 472	1 020	5 452	1 020	1 020	1 723	(703)					
Bonds	610 440 627	58 218 754	552 221 873	341 157 421	341 157 421	23 779 485	317 377 936					
Non voted funds to be surrendered ALM	(102 735)	(55 120)	(47 615)	(55 120)	(55 120)	-	(55 120)					
Foreign Loans	91 919 747	14 416 319	77 503 428	76 052 000	76 052 000	51 228 957	24 823 043					
Payment ito Section 239 of the Constitution - Redemption of State Debt		2 089	(2 089)	-	-	4	(4)					
Payment ito Section 58 of Act no 11 of 1997 IMF Valuation		-	-	-	-	2 190 319	(2 190 319)					
Revaluation of exchequer investments: FCI and ALM PMG balance	(28 841 678)	-	(28 841 678)	20 027 737	20 027 737	-	20 027 737					
Rounding		-1	1	-	-	-	-					
Total	1 769 787 149	1 073 620 895	696 166 254	1 405 770 888	1 405 770 888	1 009 711 519	396 059 369					

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

Working paper 8D

STATEMENT OF MULTILATERAL INSTITUTIONS

	2020/21		2019/20	
	Amount R 000	Current Year Increase/(Decrease) R 000	Amount R 000	Amount R 000
IMF-Securities Account	114 298 475	46 119 133	68 179 342	
IMF-SDR Allocations	37 441 855	(6 153 644)	43 595 499	
International Bank for Reconstruction and Development	30 316 748	(5 852 068)	36 168 816	
Multi- Lateral Investment Guarantee Agency	215 584	(45 071)	260 655	
African Development Bank	55 008 973	(11 500 422)	66 509 395	
New Development Bank	97 662 510	4 629 570	93 032 940	
Total	334 944 145	27 197 498	307 746 647	

Working paper 9A

STATEMENT OF OTHER RECEIVABLES

	2020/21		2019/20	
	Amount to be received R 000	Amount Received R 000	Amount to be received R 000	Amount Received R 000
SARS income in transit	-	36 925	36 925	51 547
ALM Non - voted funds	102 735	55 120	55 120	-
Total	102 735	92 045	92 045	51 547

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

For the year ended 31 March 2021

■ Working paper 9B

STATEMENT OF OTHER FUNDS TRANSFERRED TO NATIONAL GOVERNMENT

NOT APPLICABLE TO NRF

■ Working paper 9C

STATEMENT OF OTHER PAYABLES

Name of Department / Entity	2020/21		2019/20		Amount Paid R'000
	Amount to be Paid R'000	Amount Paid R'000	Amount to be Paid R'000	Amount Paid R'000	
Payable SARS to RAF	68 624	122 519	122 519	536 486	
Payable SARS to UIF	1 680 699	1 895 789	1 895 789	1 696 711	
SARS in transit	4 705	-	-	-	
Late request for Non - Voted: ALIM	6 472	1 020	1 020	1 723	
Total	1 760 500	2 019 328	2 019 328	2 234 920	

CFS

**CONSOLIDATED
FINANCIAL
STATEMENTS**

for the year ended 31 March 2021

NATIONAL TREASURY

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA