

Annual Financial Statistics 2015

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What is the Annual Financial Statistics (AFS) Survey?



STATISTICAL RELEASE
P0021

Annual financial statistics

2015

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Based on information available from the financial statements of selected private businesses / public corporations

Financial statements relate to:

- ❖ Statement of comprehensive income;
- ❖ Statement of financial position; and
- ❖ Schedule of property, plant and equipment and intangible assets.

AFS 2015 reference period

- ❖ Enterprise financial year ending on any date between **1 July 2014** and **30 June 2015**.
- ❖ E.g. FY starting 1 August 2013 ending 31 July 2014 or starting 1 March 2014 ending 28 February 2015.
- ❖ Therefore the AFS runs over 24 months.

2013

January	February	March
April	May	June
July	August	September
October	November	December

2014

January	February	March
April	May	June
July	August	September
October	November	December

2015

January	February	March
April	May	June
July	August	September
October	November	December

Industries covered by the AFS



SIC 1 - Forestry and fishing



SIC 2 - Mining and quarrying



SIC 3 - Manufacturing



SIC 4 - Electricity, gas and water supply



SIC 5 - Construction



SIC 6 - Trade



SIC 7 - Transport, storage and communication



SIC 8 - Business services



SIC 9 - Personal services

Excludes



Agriculture, hunting and related services

Structural Industrial Statistics (Stats SA),
Department of Agriculture



Financial intermediation, insurance and pension funding

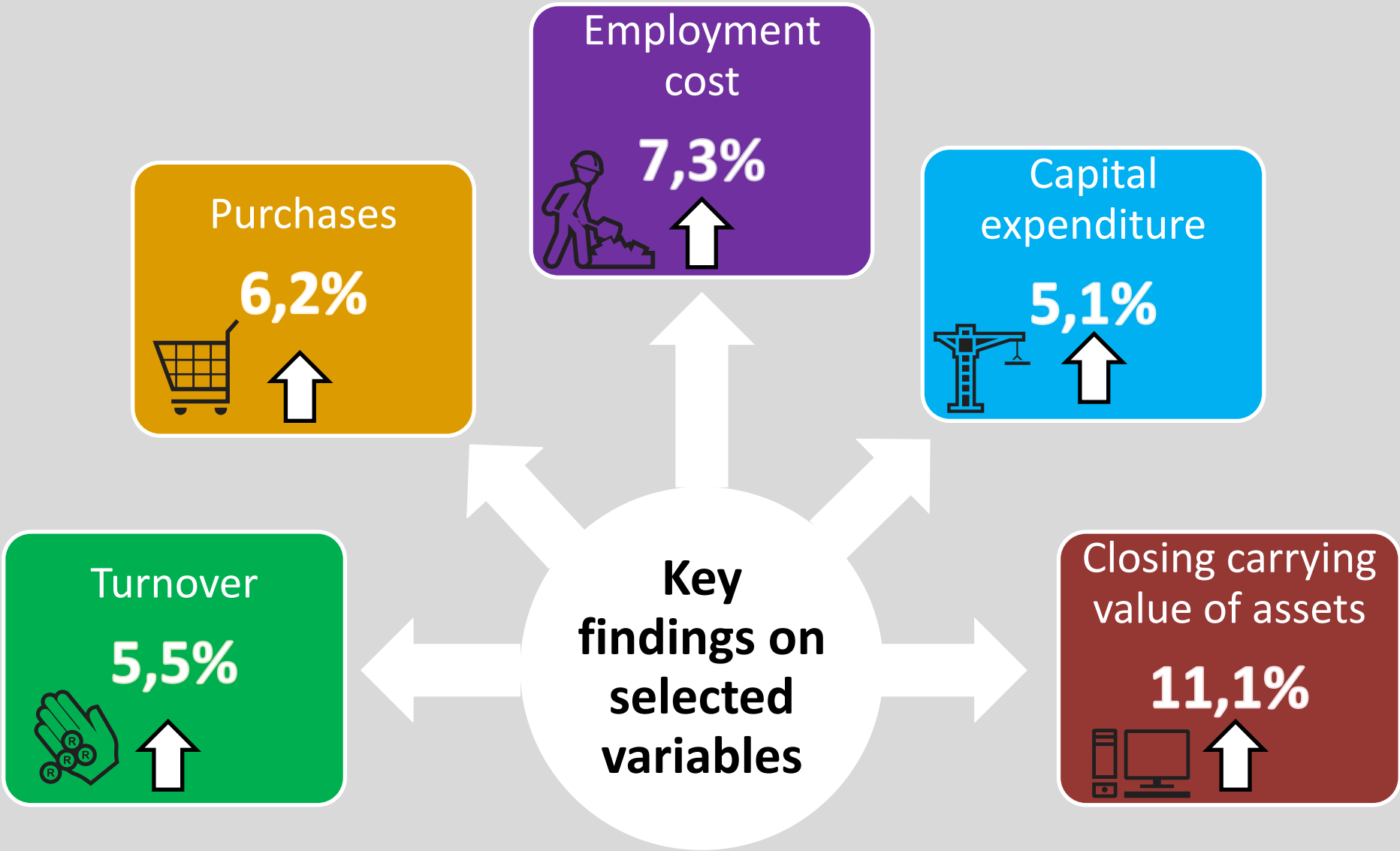
South African Reserve Bank



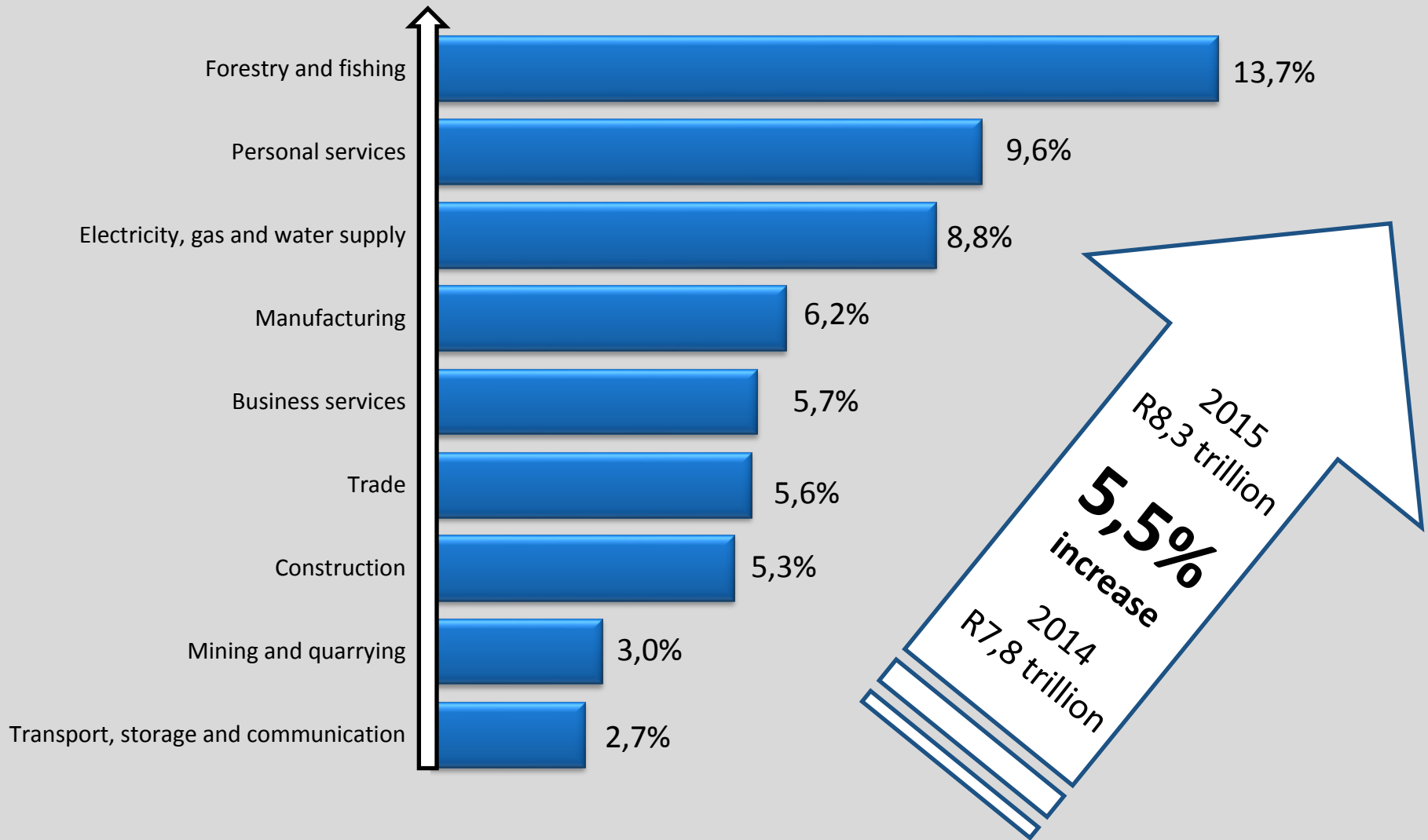
Government and educational institutions

National and Provincial Government,
Local Government institutions (Stats SA)

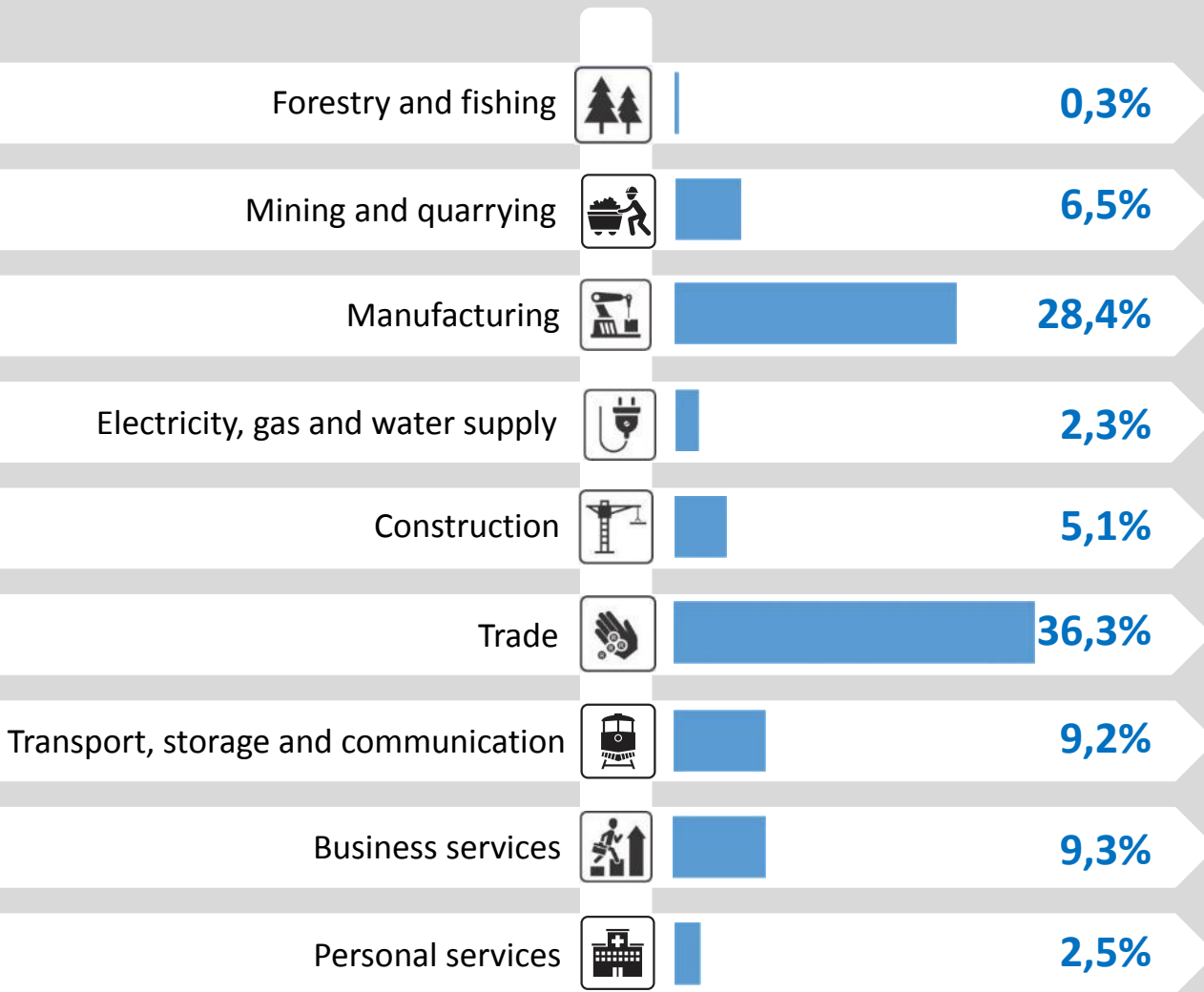
Annual Financial Statistics 2015 results



Turnover percentage changes between AFS 2014 and AFS 2015



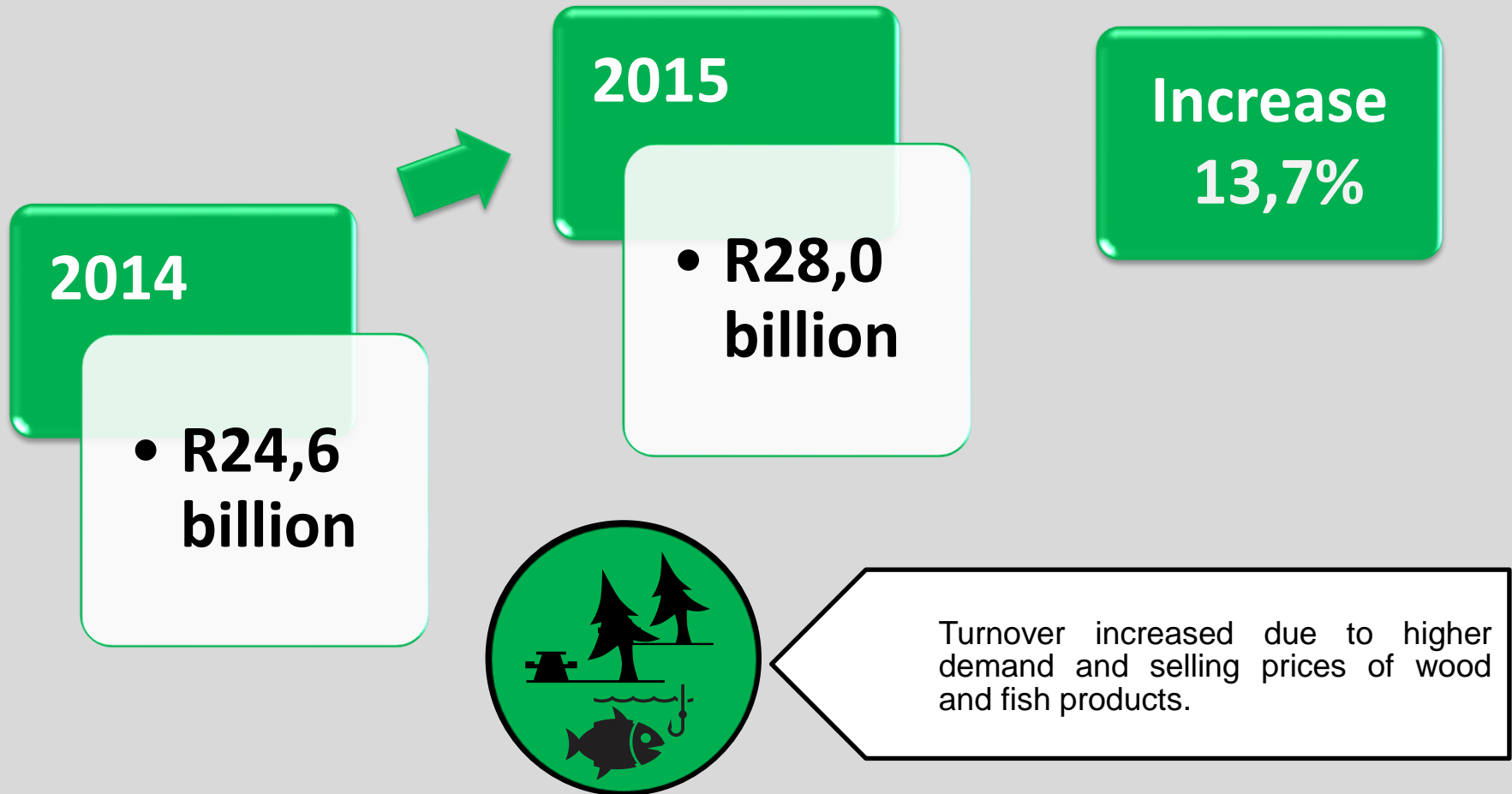
Turnover percentage contribution by industry - 2015



Trade and manufacturing were the largest contributors to total turnover contributing a combined **64,7%**

Comparison of turnover of selected industries between 2014 and 2015

Forestry and fishing



Personal services

2014

• **R185,7
billion**



2015

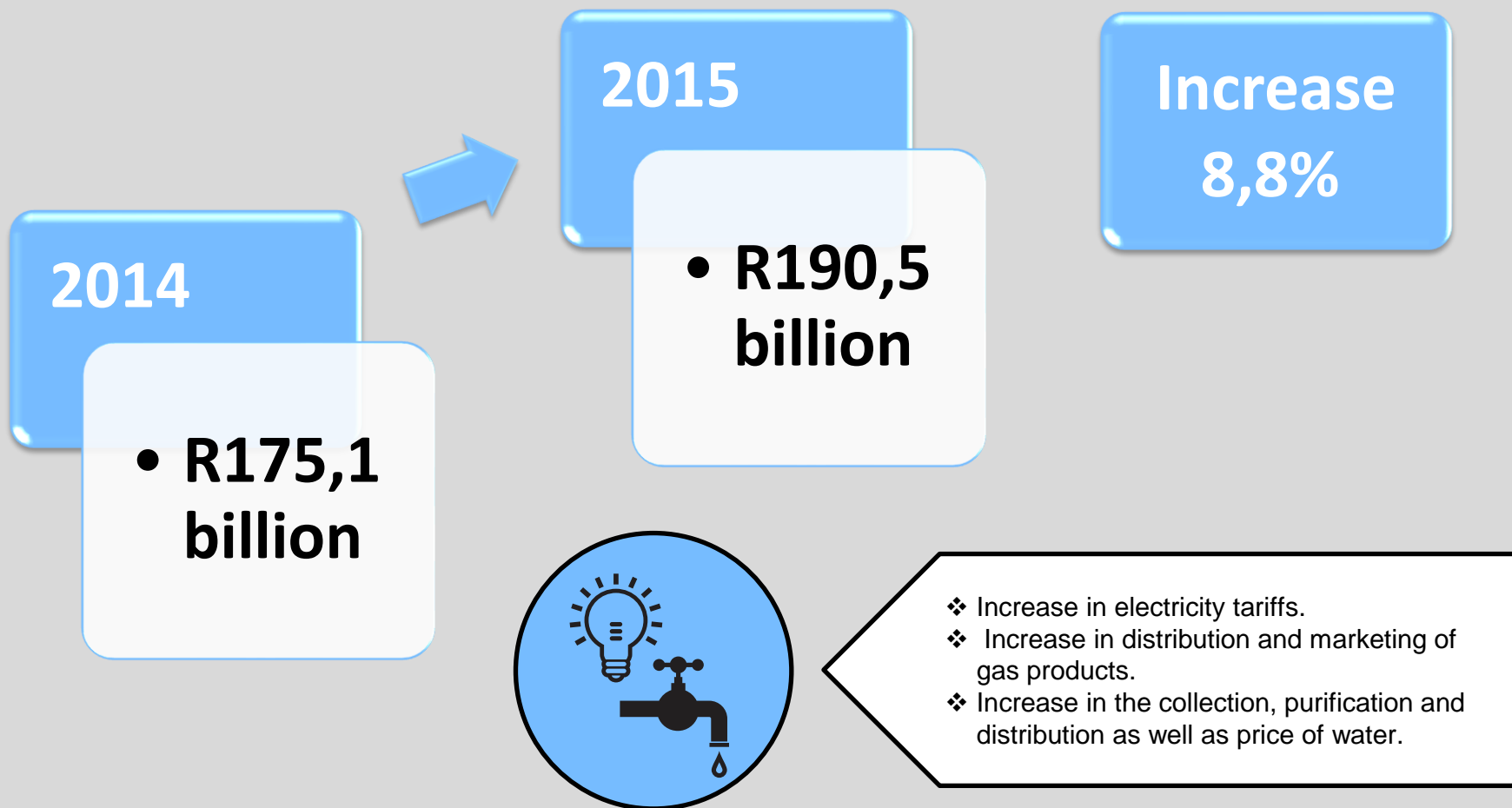
• **R203,5
billion**

**Increase
9,6%**

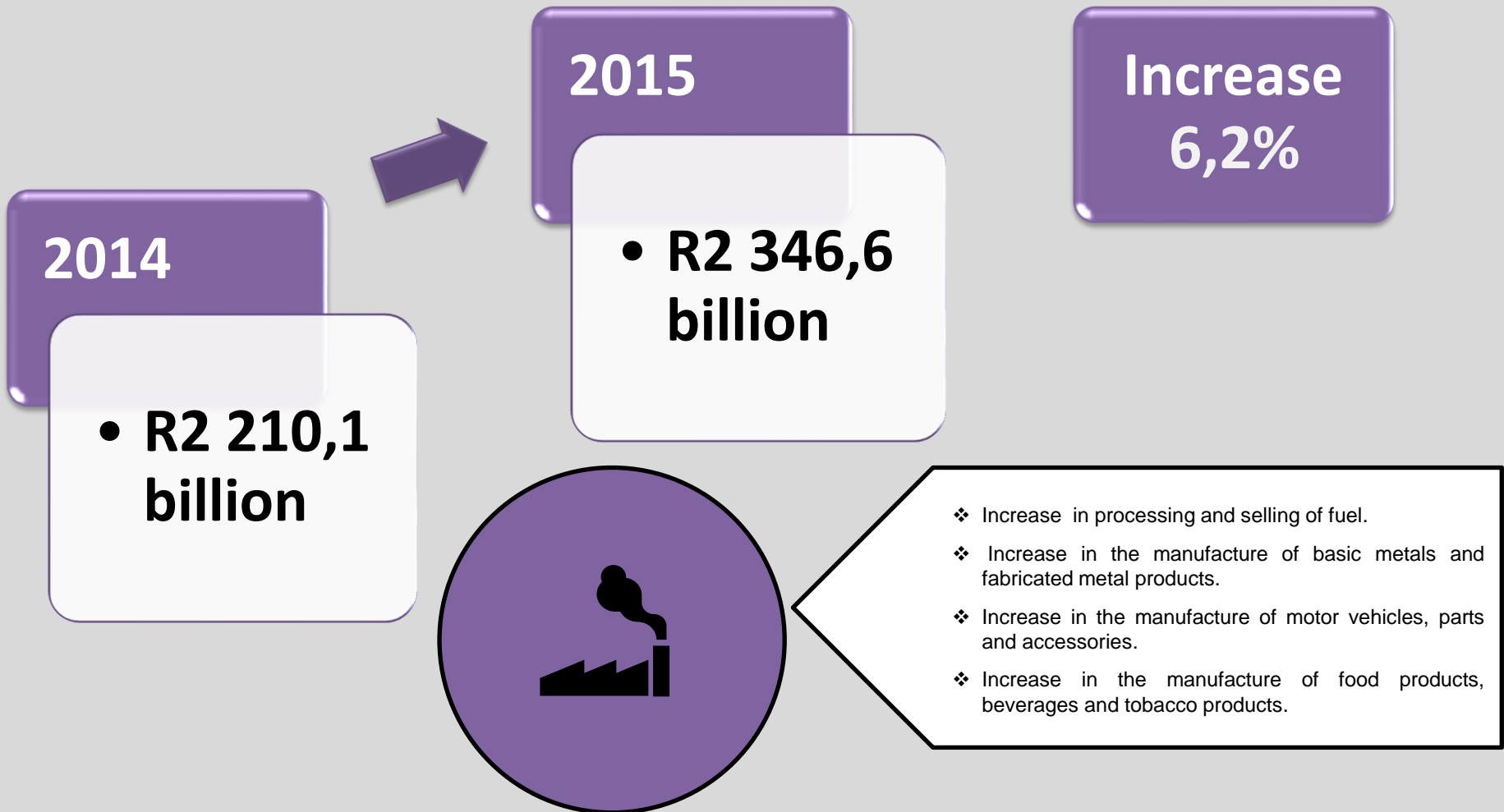


- ❖ Increase in hospital tariffs and doctors consultation fees.
- ❖ Increase in digital television programming services.
- ❖ Increase in sporting and recreational activities.

Electricity, gas and water supply

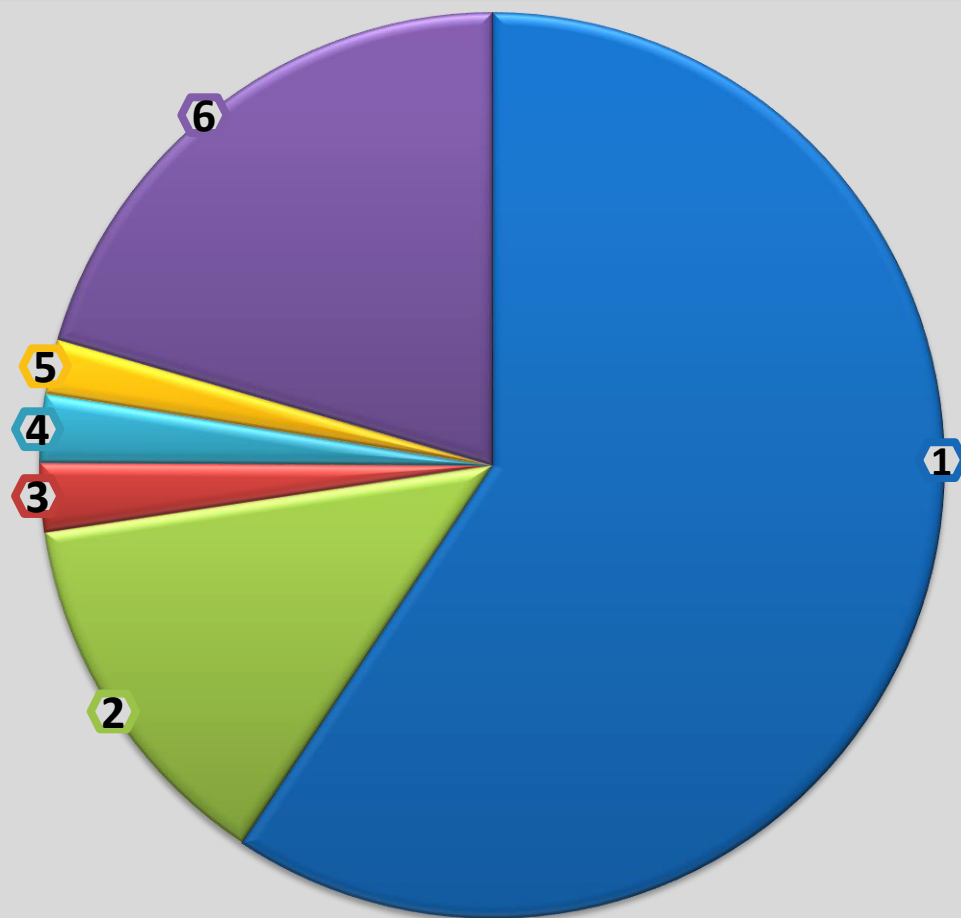


Manufacturing



Operating Expenses and Net Profit

All industries: Structure of operating expenses in 2015



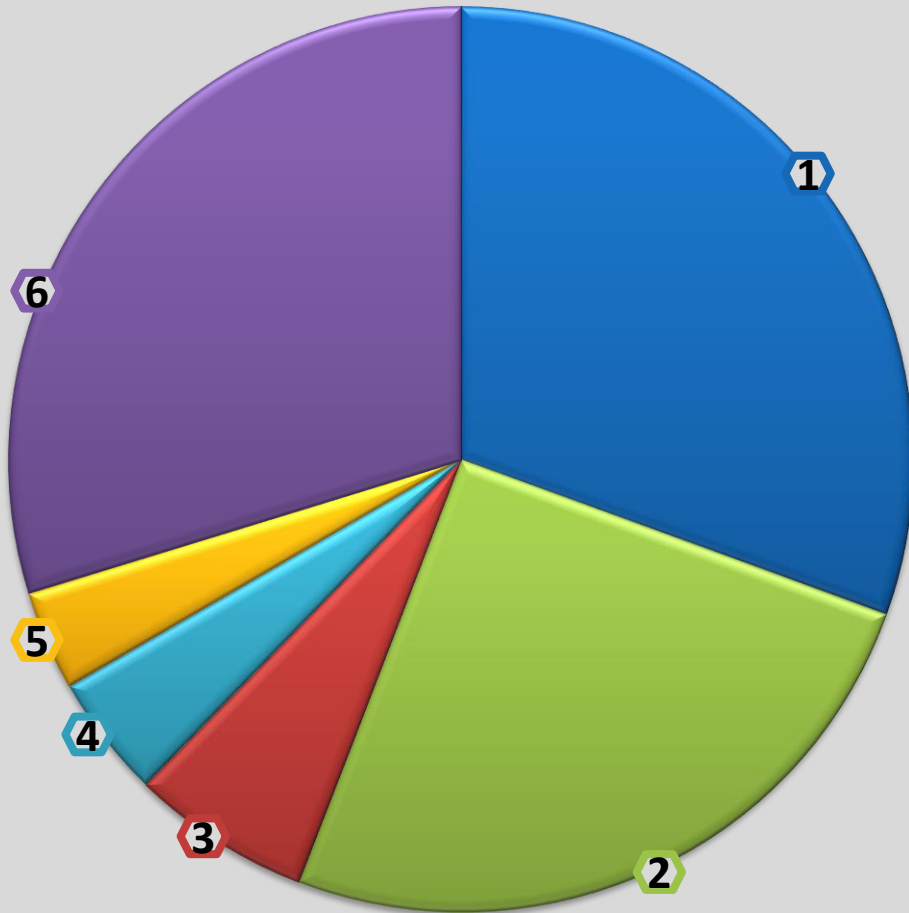
- ① 60,5% ~ Purchases
- ② 13,6% ~ Employment cost
- ③ 2,5% ~ Depreciation
- ④ 2,5% ~ Rental of land, buildings and other structures including water and electricity
- ⑤ 2,0% ~ Interest
- ⑥ 18,9% ~ Other

Main items of other expenditure were:

- Subcontractors;
- Losses on financial and other assets;
- Excise and customs duty; and
- Repairs and maintenance.

Purchases contributed **60,5%** to operating expenses followed by **other expenditure** and **employment costs** which contributed **18,9%** and **13,6%** respectively.

Business services: Structure of operating expenses in 2015



① 30,6% ~ Employment cost

② 25,3% ~ Purchases

③ 6,4% ~ Interest

④ 4,4% ~ Subcontractors

⑤ 3,6% ~ Rental of land, buildings and other structures including water and electricity

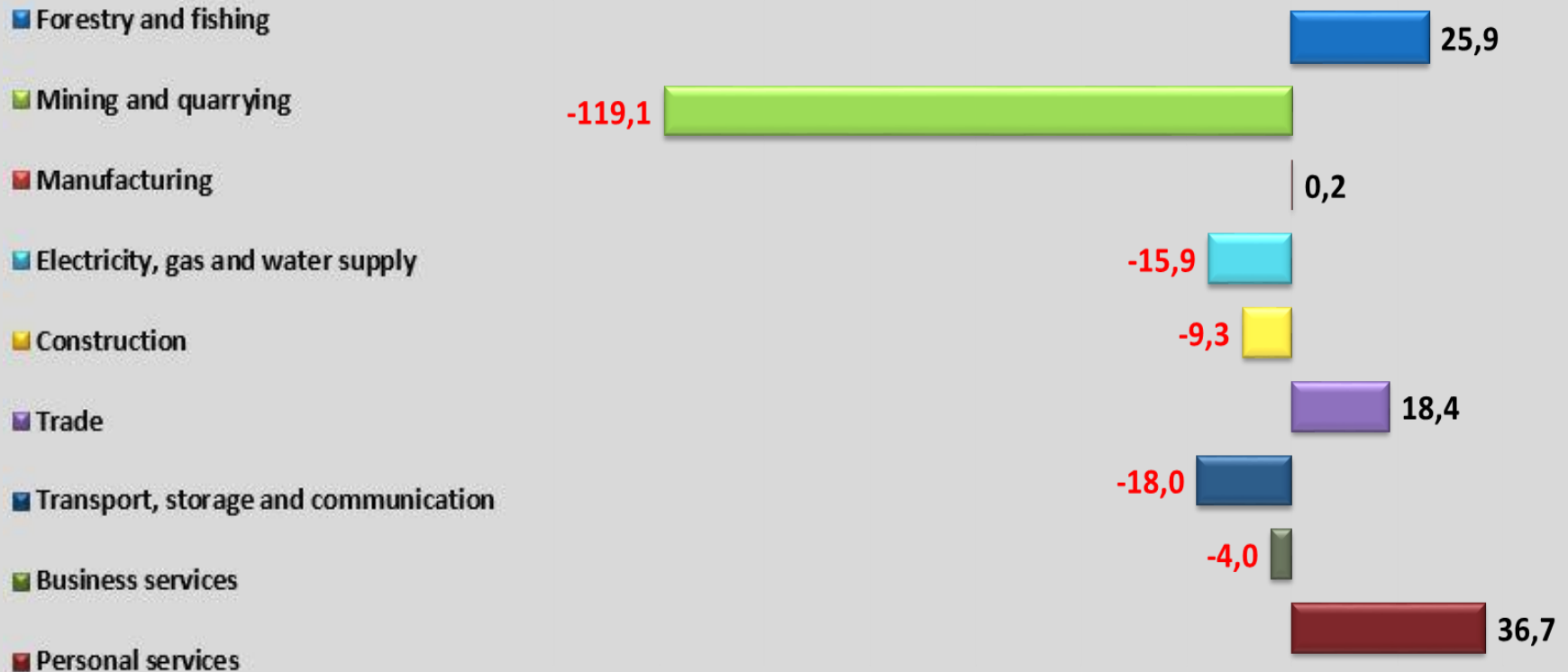
⑥ 29,7% ~ Other

Main items of other expenditure were:

- Depreciation;
- Losses on financial and other assets;
- Royalties; and
- Other sundry expenses.

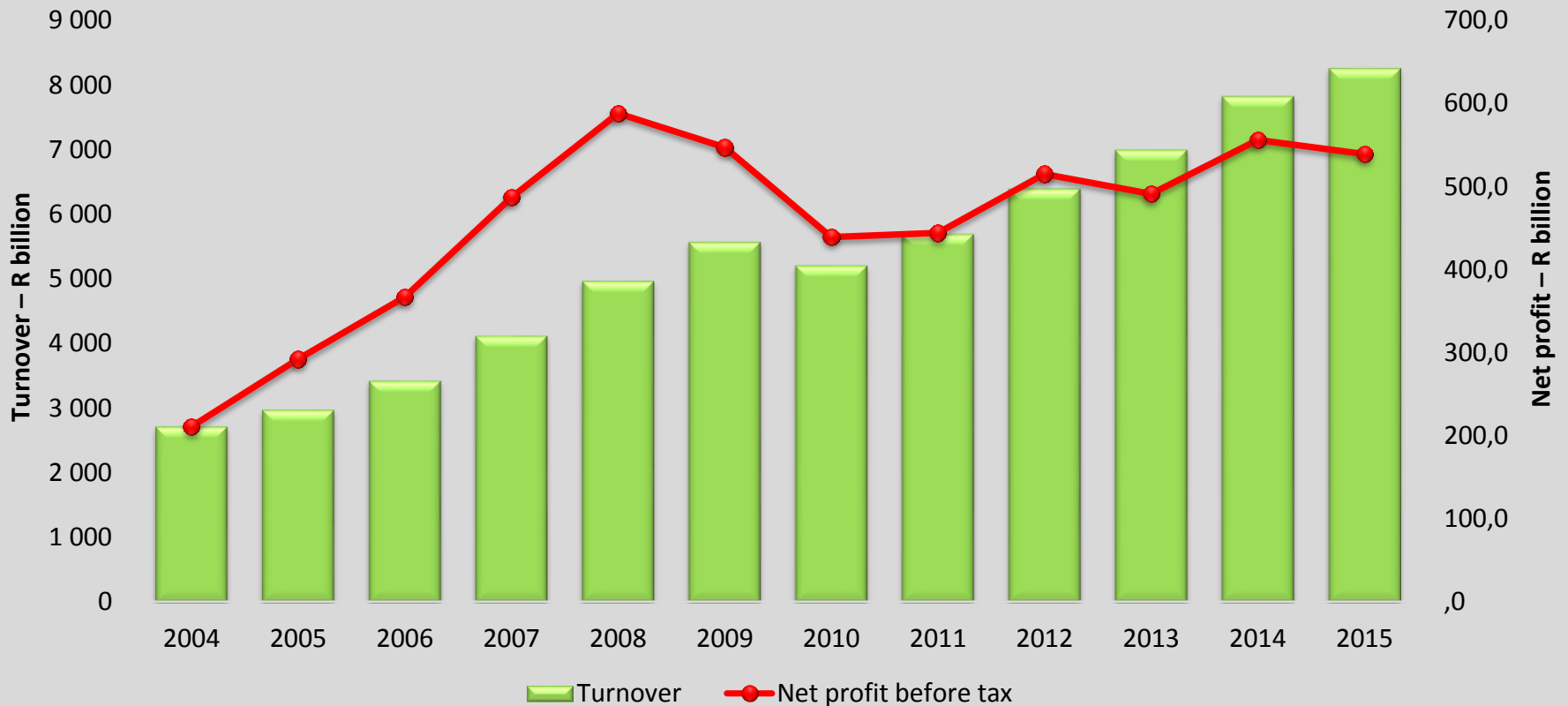
Employment costs were the largest contributor to operating expenditure, contributing **30,6%**, followed by **other expenditure** and **purchases** which contributed **29,7%** and **25,3%** respectively.

% changes in net profit before tax between 2014 and 2015



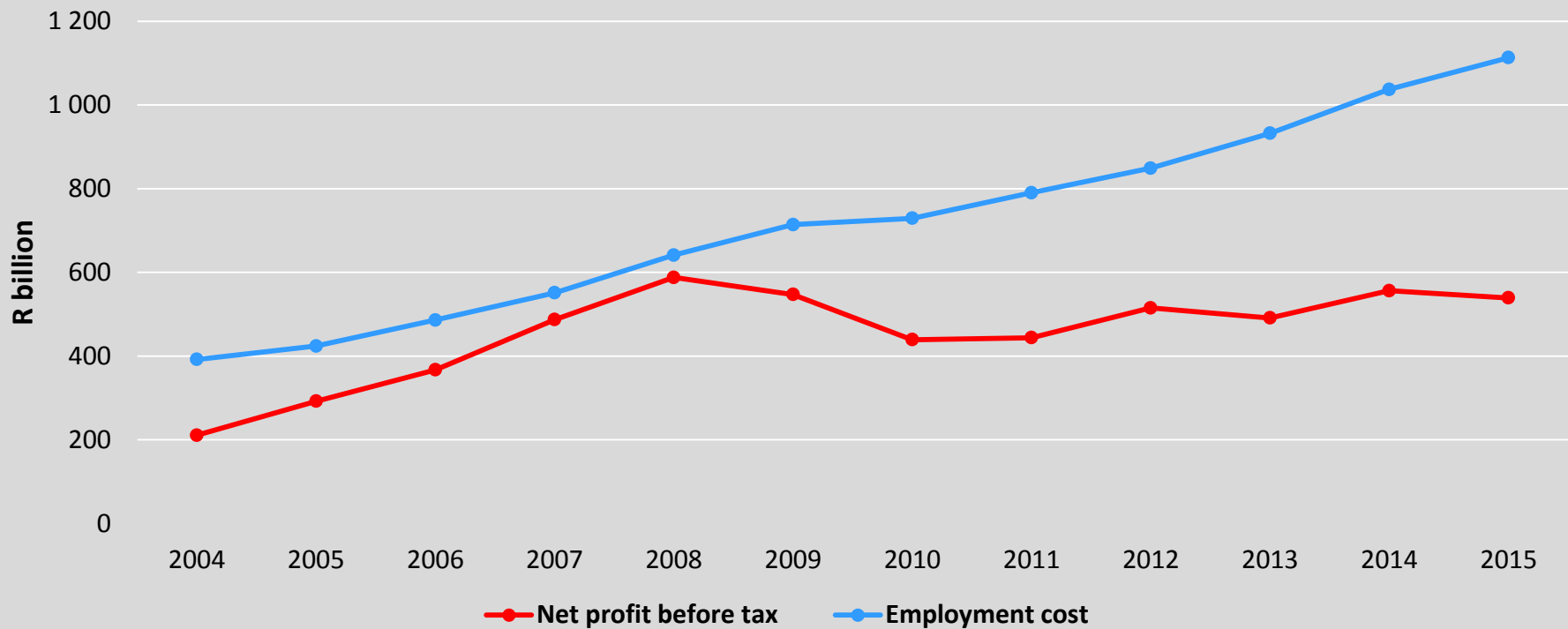
- ❖ Net profit before tax of all industries decreased by **3,1%** between 2014 and 2015.
- ❖ Less profit was generated in electricity, Construction, Trade, Transport and Business services.
- ❖ Mining and quarrying reported the only loss before tax in 2015.

Comparison of turnover and net profit before tax from 2004 to 2015



- ❖ In 2015 net profit before tax was **6,5%** of turnover compared to **7,1%** in 2014.
- ❖ Net profit was **7,8%** of turnover in 2004, peaking to **11,8%** in 2008.

Comparison of net profit before tax and employment cost from 2004 to 2015



- ❖ Trends and levels of net profit before tax and employment costs were similar from 2004 to 2008.
- ❖ Differences can be seen post 2009 as costs escalated. Industries with the highest employment cost in 2015 were:
 - ❖ Trade ~ R254,5 billion
 - ❖ Manufacturing ~ R246,8 billion
 - ❖ Business services ~ R226,0 billion

Capital expenditure

Assets schedule: All industries - Property, plant and equipment and intangible assets

Opening
value
2015

R2 520,6 billion



Capital
expenditure
**R491,5
billion**



Disposal
**R50,2
billion**



Transfer
**R13,0
billion**



Revaluation
**R24,5
billion**

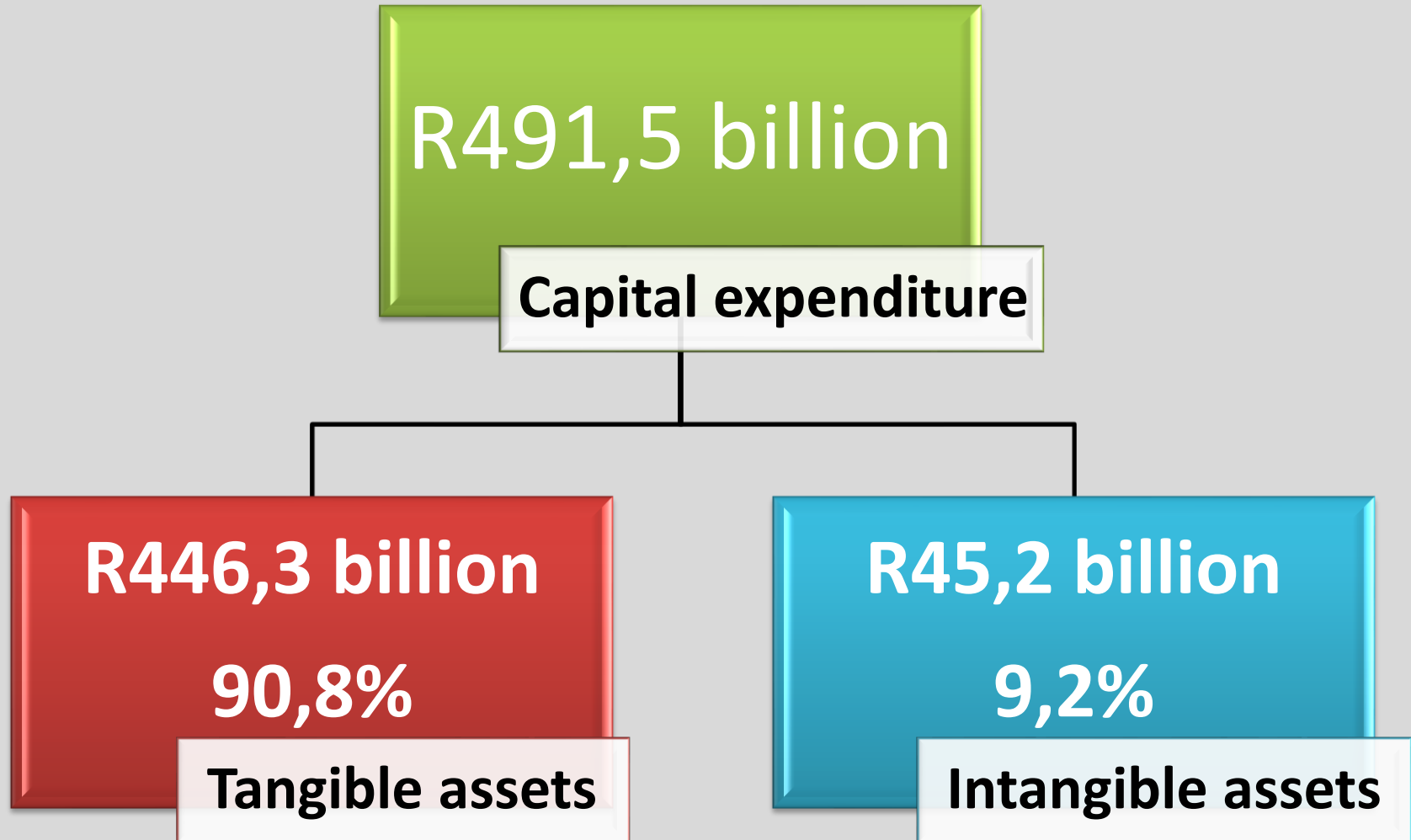


Depreciation/
amortisation
**R231,5
billion**

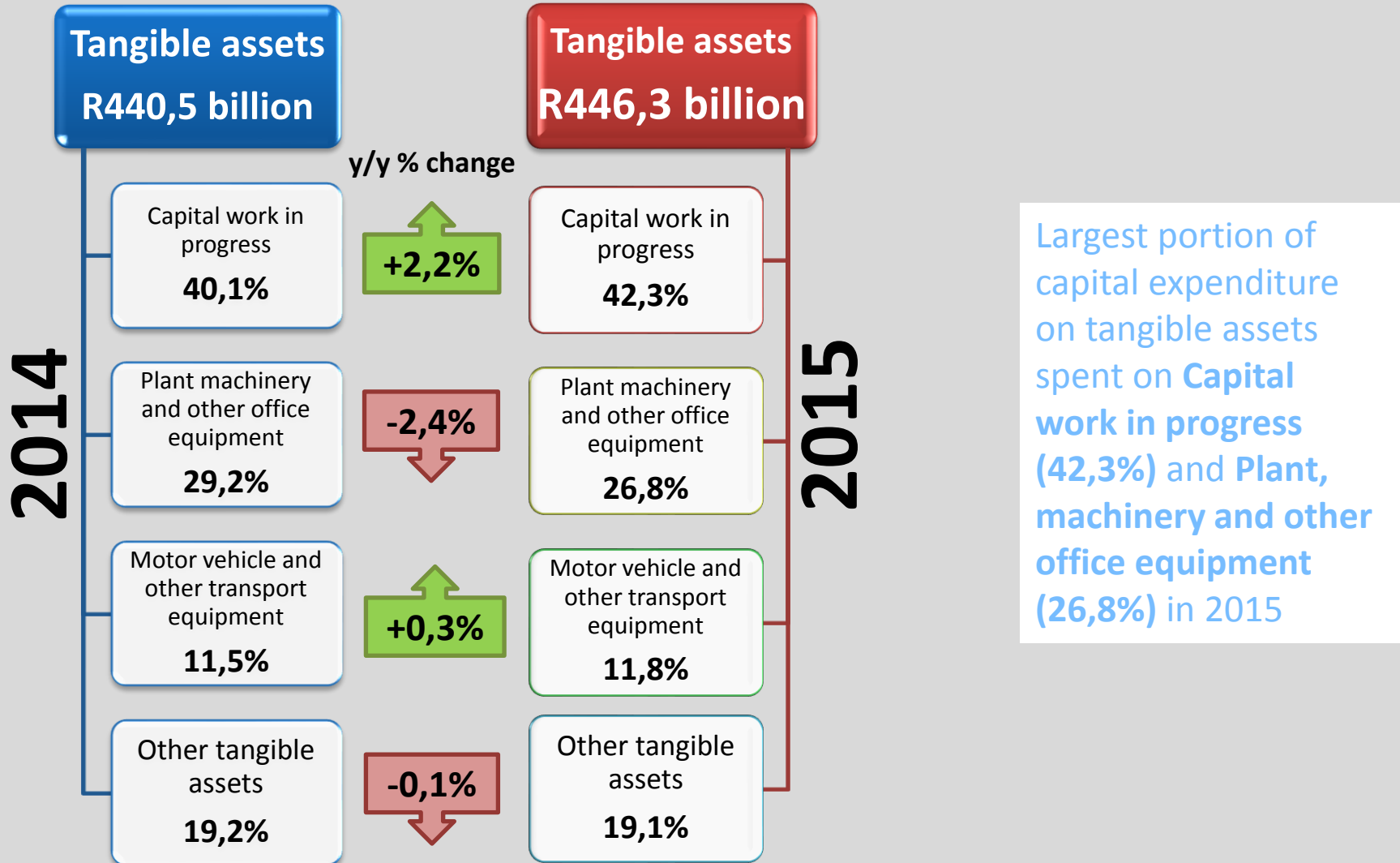
R2 741,9 billion

Closing
value
2015

Capital expenditure: Contribution of tangible and intangible assets

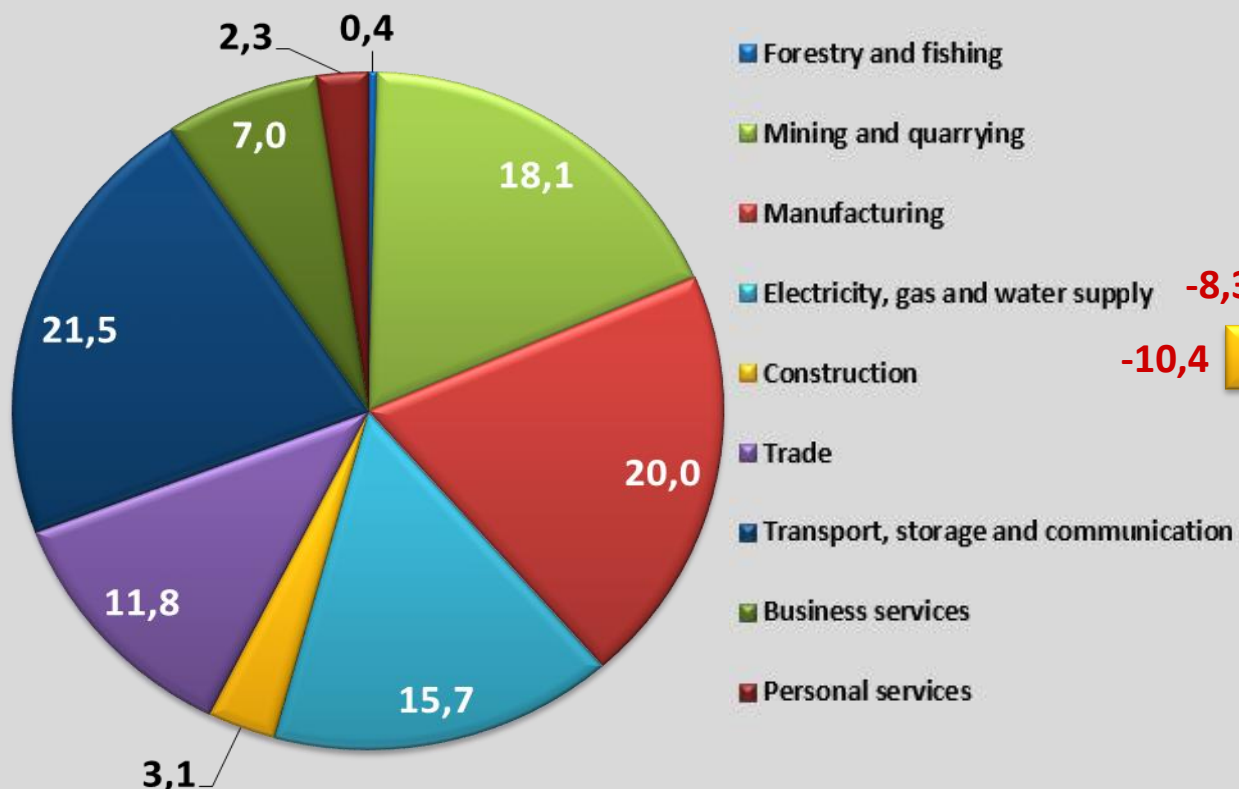


Capital expenditure: Tangible assets contribution for 2014 and 2015 and y/y change

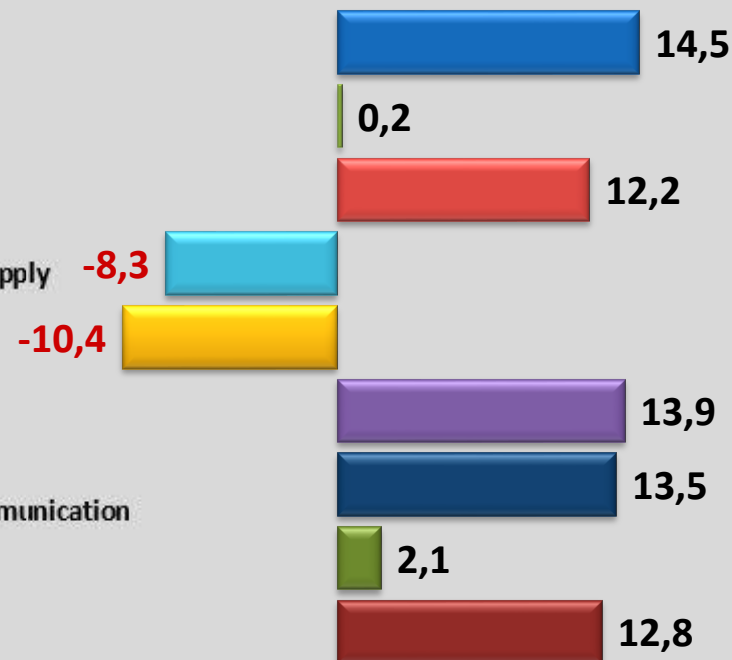


Capital expenditure: Percentage contribution and changes by industry

% contribution to total capital expenditure



% change in capital expenditure

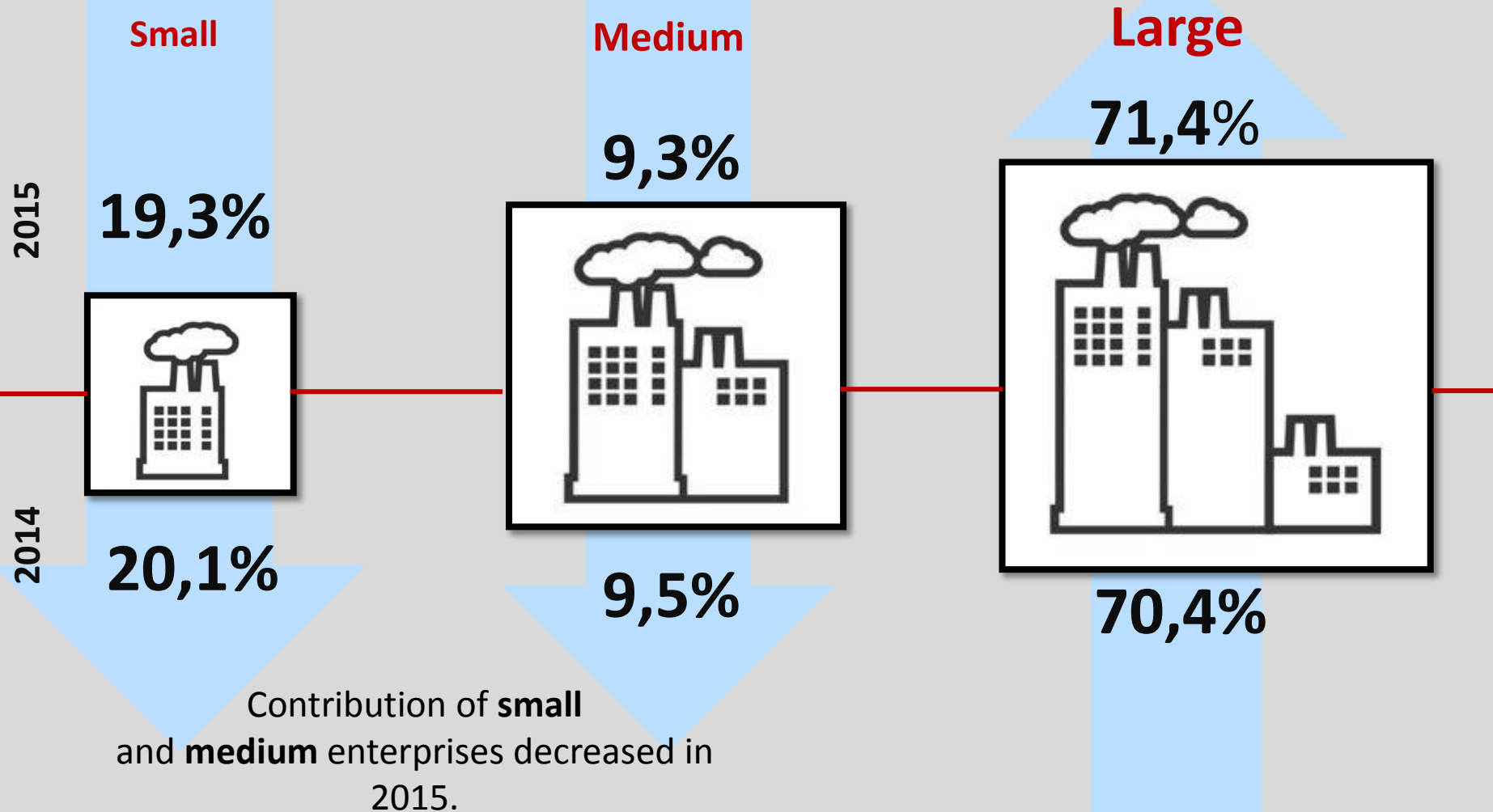


❖ **Transport, Manufacturing and Mining and quarrying** contributed a combined **59,6%** to total capital expenditure.

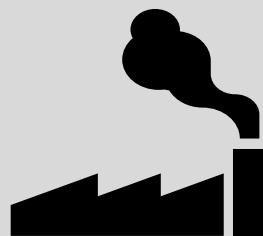
❖ Capital expenditure of all industries increased by **5,1%** between 2014 and 2015.

Business sizes

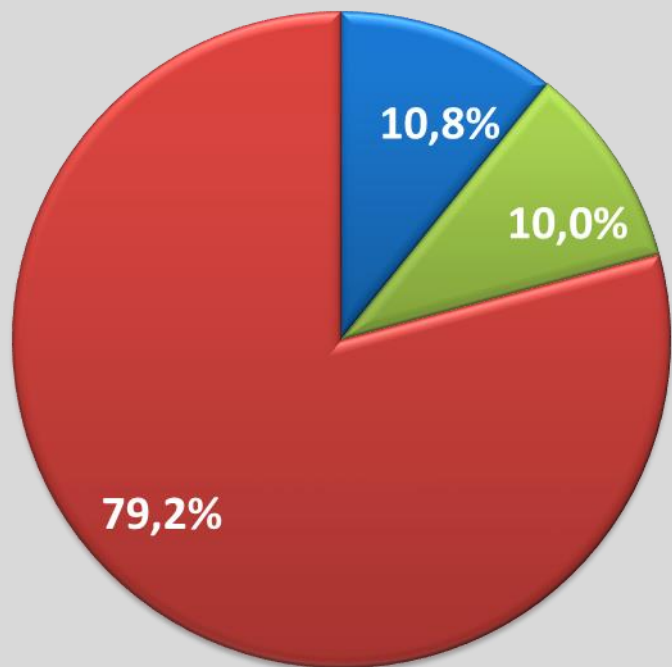
Business size (SML) contribution to all industries turnover estimates



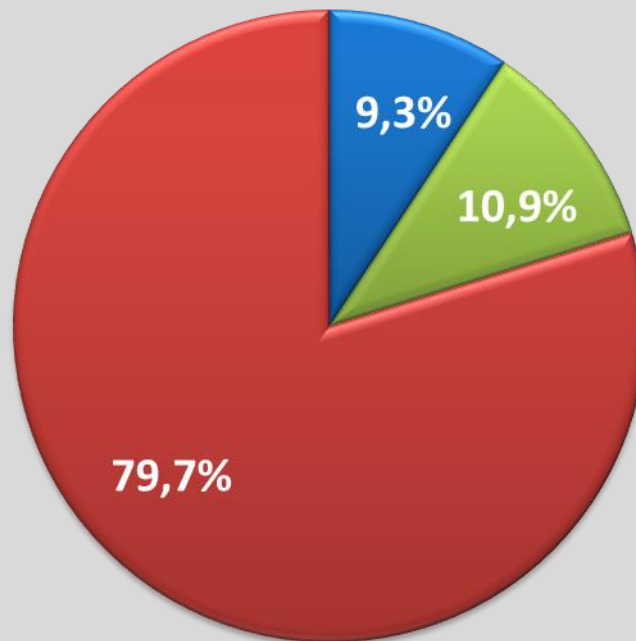
Manufacturing: Percentage contribution of SML to turnover and net profit before tax estimates - 2015



Turnover



Net profit before tax

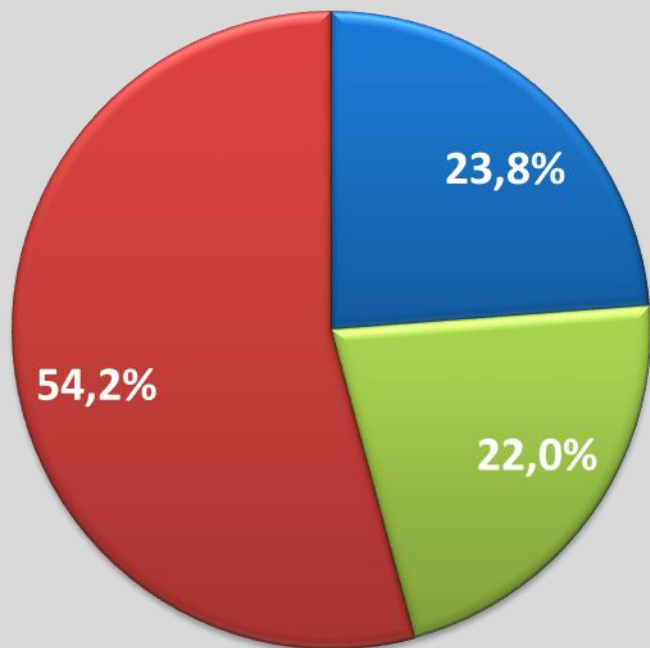


- Small
- Medium
- Large

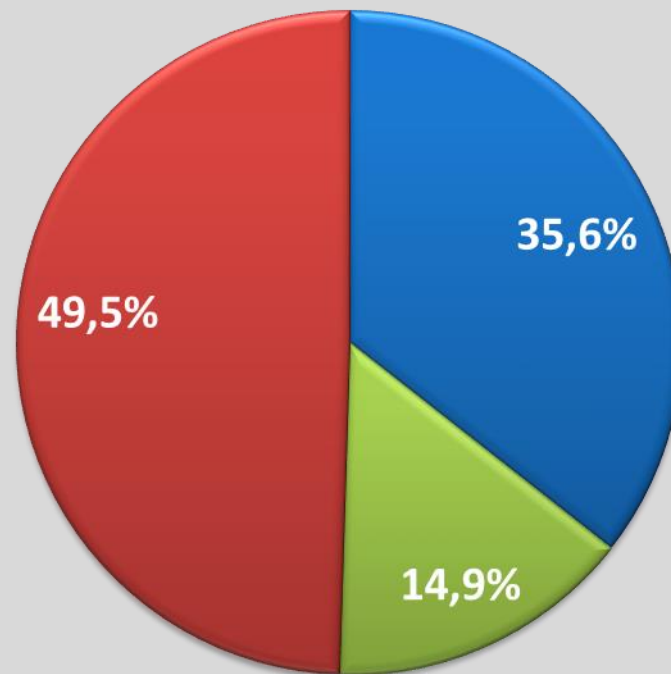
Large enterprises contributed **79,2%** to total turnover and **79,7%** to total net profit before tax.

Construction: Percentage contribution of SML to turnover and net profit before tax estimates - 2015

Turnover



Net profit before tax



- Small
- Medium
- Large

- ❖ Large enterprises contributed **54,2%** to total turnover and **49,5%** to total net profit before tax.
- ❖ Small and medium enterprises are well represented in industry.

Disaggregated estimates of selected industries

Turnover : sub-group contribution for 2015 and y/y change

Change
between
2015 and
2014

Forestry and fishing

R28,0 billion

+9,3%

Forestry, logging and related services

R16,1 billion



+20,3%

Fishing, operation of fish hatcheries and
fish farms

R11,9 billion



Turnover : sub-group contribution for 2015 and y/y change

Change
between
2015 and
2014

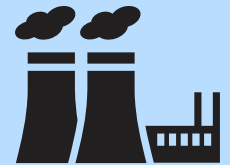
Electricity, gas and water supply

R190,5 billion

+8,5%

Electricity and gas supply

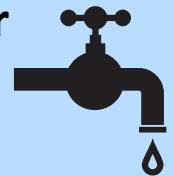
R173,9 billion



+11,7%

Collection, purification and distribution of water

R16,6 billion



Turnover : sub-group contribution for 2015 and y/y change

Personal services
R203,5 billion

+11,6%

Health and social work
R116,6 billion



+4,6%

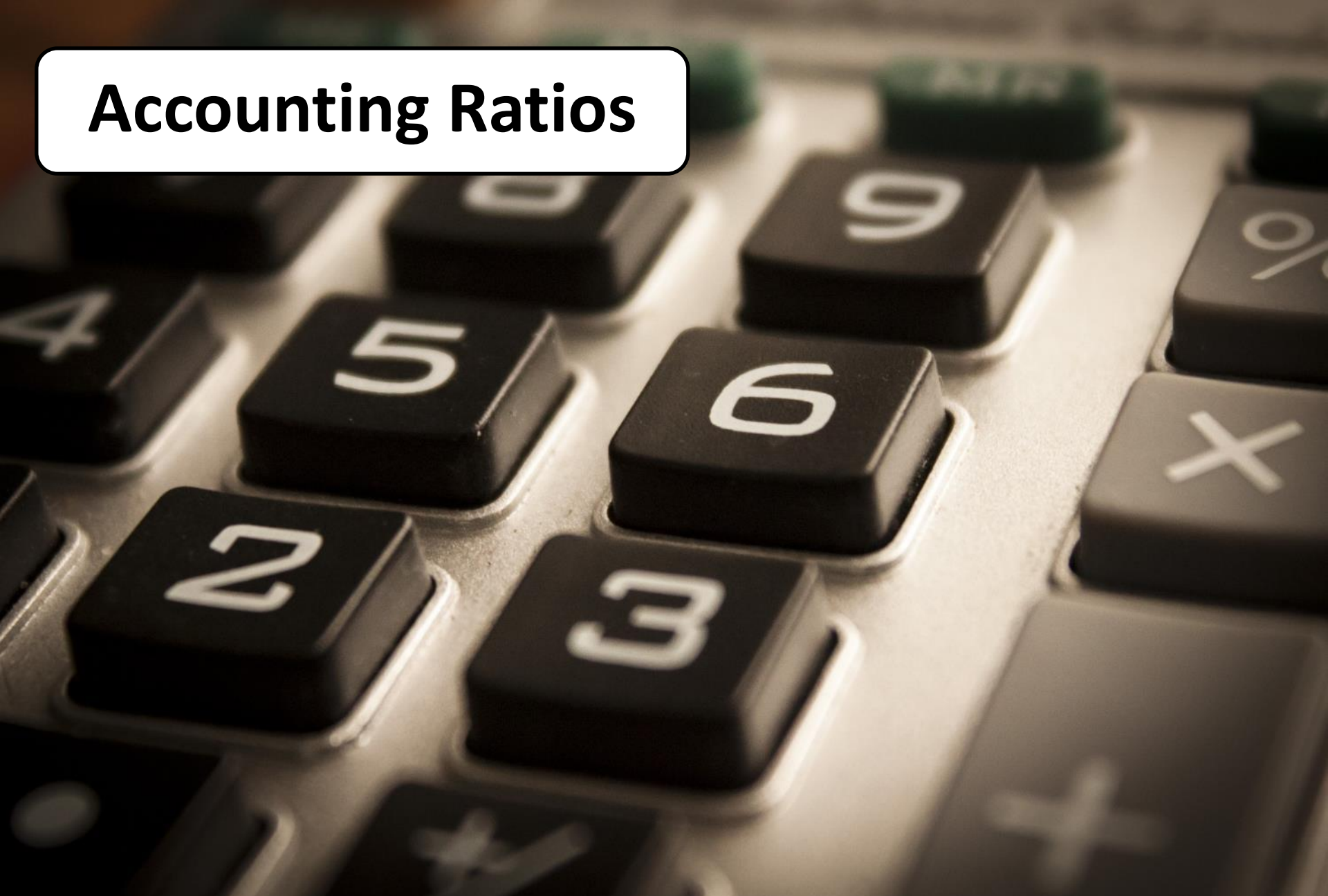
Recreational, cultural and sporting activities
R61,9 billion



+13,3%

Other → Activities of membership organisations n.e.c (+15,9%)
→ Sewage and refuse disposal, sanitation and similar activities (+7,5%)
→ Other service activities (+15,3%)
R25,0 billion

Accounting Ratios





Assets turnover ratio

The efficiency at which assets are used to generate revenue.

AFS
2014

Total turnover
R7 831,8bn

Total assets
R7 702,1bn

Assets turnover ratio
1,02:1

AFS
2015

Total turnover
R8 263,9bn

Total assets
R8 143,2bn

Assets turnover ratio
1,01:1

Assets generated less turnover in 2015 compared with 2014.



Acid-test ratio

A measure how well an entity can meet its short-term financial liabilities.

AFS
2014

(Current assets – Inventory)
R2 993,2bn – R748,0bn

Current liabilities
R2 655,9bn

Acid test ratio
0,85:1

AFS
2015

(Current assets – Inventory)
R3 127,1bn – R780,4bn

Current liabilities
R2 819,8bn

Acid test ratio
0,83:1

Less current assets to meet short term liabilities in 2015 compared to 2014.

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