GENERAL CHARACTERISTICS OF THE BANQUE DE FRANCE AND BANCO DE ESPAÑA CENTRAL BALANCE SHEET DATA OFFICES

POPULATION AND SAMPLES (*)

All the tables and graphs in this work are part of a statistical annex disseminated separately on the Internet at **www.bde.es.** *This chapter includes only those that are most relevant, but retains the same numbering as for the statistical annex. That explains any gaps in the numbering used in this chapter.*

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1. GENERAL CHARACTERISTICS OF THE BANQUE DE FRANCE CENTRAL BALANCE SHEET DATA OFFICE

The Fiben company database is at the core of the Banque de France's company information system. This is a database of descriptive accounting and financial information on non-financial corporations, updated in real time as and when annual accounts are received.

The database covers an extensive population of natural persons and legal entities. Descriptive and accounting information is gathered, encompassing all items of the balance sheet and profit and loss account, as well as key points from the notes to the accounts.

In 1997, year selected to describe the sample and calculate the coverage rate in comparison with the total population of firms registered at INSEE (France's national statistics office) some 36,000 companies have supplied the Banque de France with additional information. This sub-population is made up of companies that contribute data to the Central Balance Sheet Data Office (CBSDO).

1.1. The Fiben database

Previously, as part of its task of refinancing commercial paper, the Banque de France used to collect information in order to verify the credit quality of the issuers of bills presented to it for discounting. This information was useful to the Bank during the period when discounting was a monetary policy instrument. In 1971, France ceased this type of refinancing, but the central bank continued to gather information on companies. In 1976, the Banque de France set up the Fiben database using this data. Since 1982, all banks have been able to access the base. Economic bodies are also entitled to consult Fiben. Before lending to a company, a commercial bank will check the applicant's solvency in the Fiben base.

1.1.1. Information contained in the Fiben database

The population of the database includes natural persons and legal entities that have registered offices or are domiciled in metropolitan France, and that belong to one or more of the following categories:

- Companies with a significant economic or financial presence in terms of their turnover (i.e. over EUR 0.75 million), workforce or capital;

- companies with bank loans over a certain threshold, requiring disclosure to the Bank's central credit register;

- businesses giving rise to concerns owing to their financial position, their failure to pay debts on time, or the personal situation of their senior managers;

- companies with economic and financial ties to legal entities or sole traders included in the population of the base;

- *de jure* managers of the above companies.

A broad range of information is gathered, including:

- descriptive details, such as the firm's name, legal status and NAF business code, the address of the registered offices, a list of managers and partners, details of equity ownership, etc.;

- accounting and financial data from the balance sheet and profit and loss account;

- information on bill payment incidents and risks reported by credit institutions in accordance with the regulations of the Banking and Financial Regulations Committee;

- legal information pertaining to judgements handed down by a commercial or a civil court ruling over a commercial case.

The information is gathered from a variety of sources, including journals of legal notices, registrars of commercial courts, France's national statistics office (INSEE) and credit institutions, as well as the companies themselves.

Information is deleted when:

- it becomes obsolete, e.g. a ruling with a specific date (such as insolvency or disqualification from managing a company); details of the judicial liquidation of a sole proprietorship taking place over 10 years ago;

- it is covered by an amnesty law.

These data supply invaluable information for the conduct of monetary policy. The current refinancing process is based on underlying securities that are eligible for money market operations, and, in particular, on commercial paper issued by companies that receive the Banque de France's top rating ("3").

1.1.2.   The Banque de France rating

The information gathered on each natural person or legal entity is analysed and then issued as a succinct overall assessment that can be easily interpreted by the different users. The rating represents the central bank's opinion on the short-tem viability of a given company. In order to establish this opinion, the Bank relies on its branch network, which supplies it with the necessary information acquired from local sources.

The rating process is in no way automatic. Ratings are reviewed whenever important new information is brought to the attention of the branch managers concerned.

Companies submitting their accounts for consideration are apprised of their rating. Managers and sole traders are informed if their rating reflects a particular concern or an unfavourable assessment.

The aims of the rating

The rating awarded by the Banque de France is intended to reflect the Bank's assessment at a given time of the situation of an industrial or commercial business at a two-year horizon.

In terms of refinancing of the banking system, the rating is used to determine which private bills are eligible for use in the central bank's interventions on the interbank market on behalf of the European System of Central Banks. Only commercial paper representing claims on companies with the best rating ("3") is deemed to be eligible.

In terms of risk assessment, the rating acts as an analytical tool used not just internally by the Banque de France, but also by the banking community. In particular, ratings provide an overall view of the creditworthiness of rateable companies.

A company's rating can be used to situate the firm in terms of its turnover, financial health, environment and ability to meet payments.

Company rating

The company rating reflects the opinion of the Banque de France on the company's ability to honour its financial commitments at a two-year horizon. Ratings have three components:

— a turnover rating   denoted by a letter between A and H, J, N or X

— a credit rating   denoted by a number: 0, 3, 4, 5 or 6

— a payment rating   denoted by a number: 7, 8 or 9

The rating may be accompanied by additional information pertaining to transparency or indicating that the accounts were filed late or not at all.

Turnover rating

This part of the rating indicates the level of the company's turnover, as follows:

Rating	Turnover	EUR	FRF
A	More than or equal to	750 million	4.92 billion
B	Between	150 and 750 million	984 million and 4.92 billion
C	Between	75 and 150 million	492 and 984 million
D	Between	30 and 75 million	197 and 492 million
E	Between	15 and 30 million	98.4 and 197 million
F	Between	7.5 and 15 million	49.2 and 98.4 million
G	Between	1.5 and 7.5 million	9.84 and 49.2 million
H	Between	0.75 and 1.5 million	4.92 and 9.84 million
J	Less than	0.75 million	4.92 million
N	Non significant (companies whose turnover is unrepresentative of their business, or companies that do not directly carry out an industrial or commercial activity, notably, holding firms that do not publish consolidated accounts).		
X	Turnover unknown or data too old (relative to a financial year ending more than 21 months previously).		

CREDIT RATING

The credit rating is mainly based on:

— *an analysis of the company's financial position and profitability,* if the size of the business justifies obtaining accounting information. This analysis takes account of the features inherent to the large sectors of activity, as well as specific characteristics of sectors considered to be atypical.

— *an assessment* of management, shareholders, affiliated companies or those with which the company has close financial or commercial ties, the immediate environment of the company (markets, regulation, etc.).

— the existence of *payment incidents* or *legal proceedings*.

The credit rating given to companies belonging to a group takes account of the financial position of the economic group to which they belong.

There are five credit ratings:

— *a credit rating of 0* is given to companies on which the Banque de France has not received any unfavourable information and which economically, are not sufficiently important to warrant the collection of accounting records;

— *a credit rating of 3* is rating of excellence awarded to companies deserving the best Banque de France assessment of their creditworthiness and whose ability to meet their financial commitments is entirely guaranteed.

— *a credit rating of 4* is given to companies that are able to satisfactorily meet their financial commitments, notwithstanding certain factors of fragility or uncertainty. A credit rating of 4 is incompatible with a payment rating of 8 or 9, which signifies a deterioration in the firm's cash position;

— *a credit rating of 5* is given to a company whose ability to meet its financial commitments gives cause for concern;

— *a credit rating of 6* is given to a company whose ability to meet its financial commitments gives serious cause for concern.

PAYMENT RATING

The payment rating provides information on the company's ability to make timely payments. There are three payment ratings:

— *a payment rating of 7* indicates that in the last six months, payments were made on time or that reported incidents were not serious and do not reflect real cash flow difficulties;

— *a payment rating of 8* indicates that the cash flow difficulties of the company do not appear to cast serious doubts on the firm's creditworthiness;

— *a payment rating of 9* applies when reported payment incidents denote serious cash flow difficulties and that the company's solvency is seriously at risk.

Rating of management and sole proprietors

In order to make a more comprehensive assessment of a company, it is also useful to take into account information on its managers, as long as this information is publicly available.

For this reason, the Banque de France awards a rating to natural persons exercising a management function or to sole proprietors in their capacity as natural persons. This *Banque de France rating* given to natural persons is expressed by one of the following three-digit codes:

- *000:* the information collected by the Banque de France on the manager gives no cause for concern;

- *040:* the information calls for special attention;

- *050:* the information gives cause for concern;

- *060:* the information gives serious cause for concern;

— *the 040 rating* is given to a manager:

- who holds office as the legal representative of a company that, regardless of its payment rating, is given a rating of 6 owing to a judicial liquidation order being served in the last five years;

- or who holds office as the legal representative of at least two companies with a payment rating of 9.

— *the 050 rating* is given to a manager:

- who holds office as the legal representative of two companies that have both been subject to a judicial liquidation order within the last five years, unless these companies are the subject of a judgement binding on them by third-party notice, or the judgement has been extended to also apply to them;

- or who is ordered by the courts to pay the debts of the legal entity, whatever the amount of the pecuniary liability.

— *the 060 rating* is given to a manager:

- who holds office as the legal representative of at least three companies that have been subject to a compulsory winding-up order or a judicial liquidation order within the last five years, unless these companies are the subject of a judgement binding on them by third-party notice, or the judgement has been extended to also apply to them;

- or who is personally the subject of a court decision (court-ordered turnaround procedure, judicial liquidation, personal bankruptcy, or a ban on directing, managing, administering or controlling a company).

1.2. The Central Balance Sheet Data Office of the Banque de France

1.2.1. Description

In 1968, at the request of the France's General Planning Commission (*Commissariat général du plan*), the Banque de France set up a company database intended to provide the national accounts with additional statistics on the size and sector of businesses. The Central Balance Sheet Data Office's (CBSDO) remit was set forth in the agreement between the Banque de France and the national statistics office, INSEE: "On the basis of samples taken from all its member companies, [the Centre] shall process and supply all the information that can possibly be derived from accounting records (balance sheets, profit and loss accounts, notes to the accounts etc.)". The Banque de France provides the monetary authorities and economic decision-makers with valuable information on the economic environment through the analysis of aggregated data on firms. The data derived from company annual accounts constitute the source material for conducting studies at the macroeconomic or microeconomic level and for undertaking sectoral and financial analyses. The Balance Sheet Office database is a collection of data from firms that volunteer to submit their annual accounts.

Industrial, commercial and services companies in the competitive sector are encouraged to participate, irresepective of their size, tax treatment or legal regime. Companies contribute on a voluntary basis.

A debt-burdened or vulnerable financial position is not a barrier to membership.

Without the assent of the company concerned, the Balance Sheet Office will refrain from divulging, in any form, individual information received that is not subject to a legal disclosure requirement. Nor will the Centre publish aggregate data in the form of leaflets of sectoral results if they may reveal the individual position of a participating company.

Every year, in return for its voluntary participation, each company receives an individual report with a detailed financial analysis of its position, which is a valuable tool for decision-makers, as well as a leaflet of aggregate results for its sector. Historical series from 1971 to the present make it possible to study long-term economic cycles. In 1997, some 36,000 firms from the broad Fiben population mentioned earlier have submitted their corporate tax returns as well as an additional information report (a "dossier de collecte") containing more precise details of certain balance sheet items, debt and inter-year flows. An additional sheet may also be submitted on construction, public works, temporary employment and haulage.

The information requested, which is not intended to constitute an exhaustive inventory of the company's accounting data, is needed to:

— check the consistency of the file;

— construct a table of flows;

— examine closely the key aspects of the business or certain particular features, such as leasing transactions and debt.

Like all bodies that use company accounts, the Balance Sheet Office is heavily dependent on the degree of accounting standardisation in force.

Since 1986, the branch of the Banque de France that receives accounting statements from companies has also responsible for the whole data processing operation. The data are en-

tered and checked by means of an interactive computer program, in collaboration with the company and its accountant, if necessary.

Once the balance sheet has been validated, a Financial Analysis File (FAF) is generated and sent to the company. The lead-time between submission of the balance sheet and sending of the FAF has been cut to one week at the most.

Since individual data are centralised, they have to be grouped according to appropriate criteria. Generally speaking, the key determinant of a company's classification is its core business. Since 1994, the Balance Sheet Office has used INSEE's NAF 1993 classification, which arranges the activities of different companies according to their Principal Activity Code (*Code APE*).

The additional data collected in the database are presented in a very detailed form and are extremely important for financial analysis, especially when making international comparisons.

Regular checks are carried out to ensure that the database is representative. Investigations are conducted to control the quality of the sample and the coverage based on the number of employees. These controls are performed by size and sector. The aim is to reach full coverage for large companies (500 + employees), especially in manufacturing. The coverage rate should reach 50% for medium-sized companies employing 20 to 500 people and 10% for small businesses. If coverage does not reach this threshold, the branches are asked to contact new companies from the sectors or of the sizes that are poorly represented in the database.

Over the last few years, active efforts have been made to increase participation in under-represented sectors. Representativeness is satisfactory in industry (with an overall coverage rate of 60%) and acceptable in construction (34%) as well as in the retail sector (32%). In the services sector, some sub-sectors are well represented and others are currently being canvassed.

The Balance Sheet Office database contains historical series as the Banque de France has been collecting accounting data on the earnings, cash flows and financial structures of industrial companies.

1.2.2. *Specific data supplied*

The main additional data supplied by companies contributing to the database include:

DETAILED INFORMATION ON CAPITAL GOODS ACQUIRED UNDER FINANCIAL LEASE
OR FINANCIAL RENTAL AGREEMENTS

While tax returns provide partial information on finance leases (amount of rental payments, lease liabilities), they provide no details on financial rental, which is a widely used technique in the transport sector. Furthermore, the Balance Sheet Office is the only database to identify the amount of lease-financed investment and the value of fixed assets used by the company, regardless of how they are financed. The lease-financed investment is booked as a tangible asset, considered as if it were financed by a bank loan which decreases at the same pace as the estimated depreciation. This information is key to assessing the breakdown between the factors of production and company investment. It also makes international comparisons more meaningful.

Sources of credit

The data provided by the Central Balance Sheet Data Office (CBSDO) is used to distinguish banking-system financing from funds obtained from the group and partners.

This breakdown is not revealed in the company's tax return. Yet this sort of information is vital at a time when mergers and consolidations are increasing, even among the smallest firms. Furthermore, these breakdowns are essential for the reclassification necessary for international studies, in view of the fact that we do not always use the same accounting methods as our partners.

Interest expense

The concept of interest expense used by the Balance Sheet Office is much more precise than that used in tax returns, which include not only annual interest expense, but also discounts granted to customers and miscellaneous financial charges. Only the Balance Sheet Office provides a precise picture of the interest expense incurred in a given financial year.

These data can be used to analyse the calculated cost of financial debt, broken down into the different sources of financing (credit institutions, group and partners). Moreover, the question of introducing risk premiums according to company size into the cost of credit was considered as part of a research project on the cost of credit conducted by National Credit and Securities Council (*Conseil national du crédit et du titre* – CNCT).

Flow analysis

Flow analysis mainly concerns the company's investment drive and working capital requirements and how these are financed over the course of the year. Flows are calculated net of contributions linked to restructuring and describe "intrinsic" changes.

The different types of financing are tracked closely over time because the breakdown of new credits and redemptions is listed in detail. This ensures an in-depth analysis of how firms are financed.

In order to consider the situation of the productive base from the standpoint of short-term solvency, it is vital to obtain data on cash receipts and payments, which give an accurate insight into the cash situation at the level of individual firms.

Contributions linked to restructuring

Data from the Balance Sheet Office are used to assess the scale of restructuring and to perform the restatements needed to include the balance sheet of the affected company in studies.

Using this type of data, it is also possible to conduct more in-depth studies on restructuring – a phenomenon that is affecting an increasing number of companies.

Specific analysis of certain sectors

Certain additional information reports contain specific data that enable more meaningful analyses of the transport, temporary employment and construction sectors.

1.3. Outlook

The detailed approach taken by the Banque de France's Central Balance Sheet Data Office (CBSDO) enables it to respond swiftly and accurately to questions from economic and monetary policymakers.

The representativeness of the CBSDO's data is checked by calculating a coverage rate with respect to Insee's comprehensive database. This guarantees meaningful results and authorises adjustments, if necessary.

Using the Central Balance Sheet Office's data, it is also possible to compare individual company analyses (available in the Financial Analysis File) with the overall or sectoral analyses (performed using statistics). This is a valuable exercise, for two reasons:

- it makes it possible to evaluate each company with respect to its sector of activity;

- it gives economists a critical appreciation of the concepts used in studies, and especially in the construction of scores (which are produced using from statistical studies) and ensure that the right variables are used by making this research more efficient.

2. GENERAL CHARACTERISTICS OF THE BANCO DE ESPAÑA CENTRAL BALANCE SHEET DATA OFFICE

The Banco de España created its Central Balance Sheet Data Office (CBBE) in 1983 with the aim of compiling and maintaining economic and financial information on the activity of Spanish non-financial corporations and of enhancing knowledge thereof (1). To comply with this remit, the CBBE is entrusted with gathering annual information on non-financial corporations which co-operate voluntarily by completing an annual questionnaire (CBA). Since 1993, information has been compiled on a quarterly basis (CBQ) on the most significant corporations among those reporting to the CBA. And since 1991, under the agreement entered into with the Spanish Mercantile Registries, information has been processed from the accounts that corporations are obliged to file with the Mercantile Registries. Further, the annual accounts of small and medium-sized corporations suitable for study are incorporated into a specific database (CBB). The results discussed in Chapter 3 of the study are based on the information in the databases CBA and CBB.

2.1. Main aims of the Central Balance Sheet Data Office

- To contribute to knowledge of the non-financial corporations sub-sector using two analytical approaches. These are, namely, a business approach, i.e. from the standpoint of the corporation itself and the proprietor, and a general economic analysis approach, which seeks to describe the income generation and distribution and accumulation processes, along with the opening and closing balance sheet positions. This latter ap-

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(1) The Banco de España Law of Autonomy, promulgated in 1994, stipulates the tasks under its remit. These include, among others, the preparation and publication of statistics relating to the functions of the Banco de España, and the promotion of the sound functioning and stability of the financial system. The creation, maintenance and dissemination of the CBBE databases are subordinate to the performance of these tasks.

proach provides information on the financial transactions, assets and liabilities of the non-financial corporations sub-sector (2). The rules applied for their preparation are drawn from National Accounts systems, specifically the 4th Revision of the United Nations System of National Accounts published in 1993 (SNA 93) and its version for the EU, the European System of Regional and National Accounts (ESA 95). These data are necessary for contrast in the preparation by the Statistics and Central Balance Sheet Data Directorate of the *Financial Accounts of the Spanish Economy*. Sectoral data are also being used by the Spanish National Statistics Office (INE) in its Analysis of National Accounts and as a cross-check source in the preparation of its Input-Output Tables.

- To maintain databases with full uniform information on individual corporations, thereby enabling the Research Department to analyse corporate behaviour and the effects of monetary policy measures on corporate financing and results. At the same time, the itemised information available is one of the bases on which the Operations Directorate evaluates and proposes to the ECB the inclusion and maintenance of corporations in the "Tier 2" collateral list (corporations whose liabilities are provided and accepted by the Banco de España as collateral for liquidity injection operations in the financial system).

- To prepare quarterly articles contributing to knowledge of the economic position of non-financial corporations with the shortest time-lag possible. In drafting these articles CBQ data and, once a year, CBA and CBB data are used.

- To provide the reporting corporations with aggregated and homogenous sectoral information as consideration for their co-operation.

- To disseminate aggregated sectoral information for use by other non-Bank analysts: financial institutions, universities, researchers, central government, regional governments and public, national and international agencies.

2.2. Central Balance Sheet Data Office annual results (CBA)

Drawing on a directory of about 100,000 corporations (of a total of 700,000 in Spain), the CBA currently maintains a non-statistical sample of around 8,000 mainly medium and large-sized corporations. For the 1983 database, 3,271 corporations co-operated, with coverage – in relation to the gross value added at basic prices of the total for non-financial corporations obtained from National Accounts – of 36.9%; for the 1999 database, information was received from 8,159 corporations with coverage of 32% (for the 2000 database it has been processed 7.240 companies at the date of presentation of this document; the database is still open). The Central Balance Sheet Office does not have a sample of corporations that has been designed through statistical procedures, since co-operation with the database is voluntary. Certain biases are present which should be taken into consideration by analysts of CBA data. Regarding the various economic activities, these are unevenly represented, although the weight of data on manufacturing activity in the database is considerable. In practice, neither agriculture nor services other than transport are sufficiently represented in the CBA. The following key activities are well represented: the production and distribution of electricity, gas and water; the manufacture

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(2) The information is obtained after several steps: *a)* change to the format of ESA95; *b)* include some adjustments to the accounting data, i.e. valuation at market prices; *c)* mix the CBA and CBB databases to create an integrated database (called "CBI"); *d)* extrapolate to the total population; *e)* include some final adjustments to the final data, to rank the information provided by other sources.

of transport equipment; transport, storage and communications; the chemical industry; and oil refining and nuclear fuel processing.

The CBA information is of high quality and is highly detailed as it is obtained from a questionnaire completed by the reporting corporations. Once the questionnaire is received, it's checked in a direct contact with the corporation. Since 1992 the CBA has been using two questionnaires – one normal and one abridged – which are sent to the reporting corporations depending on whether their staff numbers 100 or not. The essential difference between both questionnaires lies in the number of data requested in each, as indicated in the following table:

Information items for each year in the questionnaire

	Type of questionnaire	
	Normal	Abridged
Accounting information	452	151
Additional information	113	61
Total	**565**	**212**

The CBBE questionnaires are revised periodically to incorporate regulatory changes the previous year in the General Chart of Accounts and to include improvements and suggestions received from users. The following table briefly outlines the contents of CBA questionnaires:

Content of CBA questionnaires

a) Characterisation data and non-accounting information	*b)* Accounting information
Registered office Activities engaged in Location Human resources employed Ownership structure Restructuring in the past year Information to ascertain whether an individual corporation or group of companies is involved Other	Balance sheets Profit and loss accounts Proposal for distribution of profits Value-added tax Information required for calculating a statement of source and application of funds and similar Restatement and restructuring of balance sheets, and other information Data requested of the corporations concerned which are normally obtained through direct contact with them Breakdown by currency, residence of counterpart agents and inter-company relationship

The CBA obtains information for two years in each data base (to calculate rates of variation for a common sample) and generally classifies corporations according to various criteria (main activity, size, public- or private-sector, regional community where registered office is located), which are the bases for the analyses of the different groupings of corporations:

- As regards productive activity, corporations are classified according to their main activity. The available aggregates of activity have a four-tier structure. The lowest level is that of the groups in the NACE 1993 statistical classification of economic activities in the European Community (four digits), in which the CBA has coded all the corporations available in its databases, whether opened or closed. Allocating a corporation (which may engage in differentiated productive activities) to a single activity code is done by

the top-down method defined by INE. Subsequently, once each corporation is classified in a NACE group, the CBBE table of activities is used to allocate each corporation to a sector (82 of which have been defined), a major sector (26) and activity group (14) in the annual CBBE publication.

- As regards classification by nature of ownership, the aggregates of public- and private-sector corporations are presented separately. A corporation is considered to be in the public sector in the CBBE databases if: *a)* the direct plus indirect general government ownership interest exceeds 50%, and *b)* while not holding a majority interest, effective control of the corporation (or, what amounts to the same, company management decisions) is exerted by general government. Also included as public-sector corporations are those where corporations fitting either of the two foregoing cases exert control or have a majority ownership interest. Classification of corporations into one of these groups takes place each year, according to their position as at 31 December.

- Turning to classification by size, the explanatory variable here is the average number of employees of each corporation in each of the database years. Also, two secondary parameters are used: the total assets figure and the total figure on the credit side of the profit and loss account, whose value is set as a security threshold that prevents classification errors (to ensure, for instance, that an apparently small company, according to the number of staff, is not classified as such when its balance sheet, expenditure or income are high enough to invalidate the aggregate). In 1996, EC Recommendation 96/280 established the need to apply uniform criteria in defining SMEs (small- and medium-sized enterprises), a definition that should consider, in part, the three above-mentioned criteria. The CBBE has essentially adopted this Recommendation (i.e. small corporations up to 50 employees; medium, from 50 to 249; and large, 250 employees and above).

- Lastly, the CBBE classifies corporations in the province and regional community where their registered office is located.

The following table summarises the classification criteria:

Corporation classification criteria used in the CBBE

Classification by	Criteria used
ACTIVITY	Based on main activity. Activity aggregates available: — NACE 93 (four digits). Allocation by top-down method, defined by INE. — CBBE sectors: 82. — CBBE major sectors: 26. — Activity groups in the annual publication: 14.
SIZE	Mixed allocation criterion based on Recommendation 96/280/EC, but bearing the following parameters in mind: — Average number of employees. — Total assets. — Total on credit side of the profit and loss account. 1. Average number of employees. Small: up to 50 employees. Medium: from 50 to 249 employees. Large: 250 employees and over. 2. Assets and Credit Total assets and the total Credit figure are set as a security threshold so that a small corporation in terms of number of employees, but one which is large in terms of its balance sheet or profit and loss account, is not classified among small corporations and so does not distort the aggregates.
LOCATION	Regional community in which its registered office is located.

2.3. The database of annual accounts filed with the Mercantile Registries (CBBE/RM or CBB)

Since 1991, the CBBE has been using another supplementary CBA database to ascertain the position of and recent developments in non-financial corporations. The CBB is based on a different work methodology that uses the data available in administrative sources. That further enables the various obligations falling on corporations to be exploited for statistical purposes. Since 1990, Spanish corporations have been obliged to file their annual accounts with the Mercantile Registry of the province in which their registered office is located in order to make the accounts public. The CBBE and the Mercantile Registries co-operate in respect of the filing of accounts. The information from the Mercantile Registries provides for cross-checking which, moreover, allows the characteristics of a most extensive sample of non-financial corporations to be known. And on the basis of this, population totals may be deducted and the strata of the non-financial corporations that are worst represented in the CBA database (services and small corporations) may be monitored. The CBBE is obliged not to disclose individual information, whereby it publishes the results of its work only in aggregated (not corporation-by-corporation) form, and this exclusively for economic analysis purposes.

As a result of this co-operation with the Mercantile Registries, the CBBE offers them technical advice and maintains a database with information for the years 1990 to 2000 on a growing number of companies. The Banco de España promoted the promulgation of the Ministry of Justice Order dated 14th January 1994, which made the completion of an official standardised annual accounts format obligatory. This fundamentally changed the project, since thereafter the number of accounts expanded exponentially (420.342 corporations in 1999, compared with 24,479 in 1992). Information is expected to be received from over 450,000 corporations for 2000. There is a field which identifies whether a corporation also co-operates with CBA so that any overlapping may be avoided in the preparation of studies that use both databases. In conformity with the rules of the General Chart of Accounts, there is a normal form and an abridged one.

General characteristics of the database

- The CBB corporations accounted in 1990 for 0.4% of the total gross value added at basic prices of non-financial corporations compared with 12% in 1998. This sample is not statistical either. In the studies performed using this database medium and large corporations are excluded, although all resident corporations file their accounts with the Registries and, therefore, they are finally also available to the CBBE. The lack of direct contact and of correlative exhaustive editing, on one hand, and the specialisation of the CBA in processing medium and large corporations, on the other, mean that only small corporations received from the Mercantile Registries are used in the CBBE/RM, provided they were not already available to the CBA.

- The number of corporations provided in each base differs greatly. The early years (1990 to 1992) are the least representative owing to the scant number of corporations studied. The number of common corporations, which is low in percentage terms compared with the total available, is on the increase (approximately 87,820 for the latest three bases). Nonetheless, the number of corporations apt for study has stabilised at over 200,000. Consequently, given the amount involved and the uniformity of size, this means that this database, whose latter years are more comparable, is an information source of the first order.

- The corporations incorporated into the databases are classified according to their main activity (NACE 93) and size. With regard to the size of the corporation, the CBBE follows a similar procedure to the CBA, using a triple classification criterion. The main one is the average number of employees during the two years of each base, which is supplemented with certain security criteria, taking as a reference total assets and the total on the credit side of the profit and loss account.

- The activities covered by this database are notably different from those addressed by the CBA database. The share of manufacturing industry in the database total is much less than that observed in the CBA. In parallel, the wholesale and retail trade and other services are notably significant in this base. For 1997, 54.8% of the corporations were engaged in these activities.

- Most are very small corporations, according to the triple criterion applied by the CBBE. As a reference, it may be noted that the small corporations in the CBA databases have, on average, about 20 employees, while in this database corporations with fewer than 50 employees have an average staff of about 7 employees.

2.4. Central Balance Sheet Data Office quarterly results (CBQ)

This database was created in 1993 to obtain initial information on the basis of a quarterly survey acting as a counterpoint for the studies on the economic situation prepared by the Banco de España Research Department. In October 2001, the draft date for this report, a series of 31 consecutive quarterly observations is available.

As it is a quarterly survey, the information requested is less detailed than in the annual survey. Approximately 900 medium and large corporations co-operate, covering 17% of GDP. The information obtained is presented with a lag of 15 weeks. The classification criteria of size, activity and ownership status are the same as in the CBA.

2.5. Integrated Central Balance Sheet Data Office (CBI)

Conceptually, a new database was created to provide the source for the extrapolation process to obtain the non-financial corporations sector of the National Accounts, from the addition of the CBA and CBB databases. Obviously, these data are not the official and final information of the NA; It will never be, because the system and process of getting the information (from aggregation and extrapolation of the annual accounts) invalidates the data for this purpose. Although some changes are made to the final results (in order, for example, to value some elements closely to market prices), the NA are obtained in a complete coherent and inter-linked way that the simple extrapolation of annual accounts will never fit.

Anyway, the result of the extrapolation is a complete framework of an incredible value as contrast for the elaboration of the Financial Accounts, that is the responsibility of Banco de España. Moreover, some elements of the Financial Accounts can be obtained only directly from the results of this CBI: shares not quoted, and other equity of the non financial corporations; commercial credit internal to the institutional sector; portfolio of Public Administrations in non financial corporations; and the assets of the non financial balance sheet.

3. CHARACTERISTICS OF THE FRENCH AND SPANISH CORPORATION POPULATIONS

The data that have provided knowledge of the corporation populations for Spain and France have been obtained from the National Statistical Offices of both countries, and refer to the corporations existing in each country at 31 December 1997 (3).

Information is available on the number of corporations and the number of employees existing as at that date, and for this analysis the following classification criteria have been used:

- Employment range: from 0 to 49, from 50 to 199, from 200 to 499 and 500 or more employees. Tables II.1.1 (See summary table in the text and rest of the tables in the statistical annex)

- Sector of activity: section of the NACE classification (4). Tables II.1.2 (See summary table in the text and rest of the tables in the statistical annex)

- Legal status: a distinction is drawn between public limited companies, private limited companies and others (co-operatives, general partnerships, limited partnerships and autonomous agencies). Tables II.1.3 (See summary table in the text and rest of the tables in the statistical annex)

Tables II.1.1 provide information on the number of corporations (table II.1.1.1) and the number of employees (table II.1.1.2) in each country by employment range in absolute values and in structural terms. The average number of employees for each of the ranges has also been obtained (table II.1.1.3). On the basis of these, one differentiating characteristic of the two countries can be seen: although the number of corporations in both countries is similar, the number of employees is almost double in France. This means that the average size of French corporations is virtually double that of Spain's. Thus, the total denotes that Spanish corporations have 11 employees on average compared with almost 20 employees in French companies.

If the analysis of the figure is made in terms of corporation size (according to employment range), the structure in terms of the number of corporations can be seen to be very similar for all sizes. In both countries most corporations are concentrated in the 0-49 employees range (97.2% in Spain and 95.3% in France). But if this same figure is analysed on the basis of the number of employees, the differences are most marked in corporations with between 0 and 49 employees and those with 500 or more. In both ranges there are 13 points' difference between the two countries. Hence, 47.6% of Spanish employment is concentrated in small corporations compared with 34.4% in the case of France, while the related figures in corporations with over 500 employees are 23.9% for Spain and 37.4% for France. The other two employment ranges show very similar weights in both countries. These data are confirmed once more in the summary table II.1.1 on analysing the average size of corporations in each employment range. Small Spanish corporations have an average of 5.4 employees compared with 7.1 for French firms, and large Spanish companies employ 1,688.8 workers on average against 2,105.5 for their French counterparts.

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(3)   Analysing the population of corporations required prior work, performed by the CBBE, on the homogenisation of the different legal forms included in the population (this, among other things, meant taking the decision to include the non-financial corporations in each country with 0 employees). The apparent contradiction whereby there are more non-financial corporations in Spain than in France would then be explained – other than by reason of the different population structure (the high share in Spain of micro-corporations) – by the high growth rate of the population of corporations registered in Spain in the last five years.

(4)   In Spain's case there is no information for sections A and B of the NACE.

Tables II.1.2 provide the same information but classified by sector of activity and show that there are no major structural differences in the business activities pursued in both countries. The activity with the largest number of corporations in both countries is section G of the NACE, which essentially encompasses wholesale and retail trade corporations (around 30%). There are two activities in which bigger differences are observed. On one hand, in the Spanish case, construction accounts for 14.8% of total corporations, while in France this figure is 8.9%. And on the other, 17.9% of total firms engage in "real estate and rental activities; business services" in Spain, while this figure is 29.7% in France. These figures highlight the greater weight of the tertiary sector in the French economy, in keeping with the increasingly service-based orientation of more developed economies.

Table II.1.2 also confirms that the distribution of employment by activity in both countries is quite similar. In this case it is manufacturing that absorbs most employment (almost 30.7% in Spain and 33.5% in France). The transport, storage and communications sector shows most differences: while in Spain 7.3% of employment is concentrated in this sector, the related figure is 11.6% in France. Lastly, the analysis of the average number of employees in each sector (summary table II.1.2 and table II.1.2.3 of the statistical annex), shows that the average size of French corporations can be seen to be bigger in virtually all sectors. Most prominent here are the "production and distribution of electricity, gas and water" sector (236.0 employees per French corporation compared with 47.2 for Spain), the "transport and communications" sector (54.2 employees on average in France, 14.7 in Spain) and, lastly, manufacturing (41.8 employees in France against 18.6 in Spain).

Lastly, tables II.1.3 offer information on the corporate make-up of each country in terms of the legal status of corporations. In Spain, the private limited liability company is predominant, owing to the fact that the small corporation is the most used form since the capital stock requirement is much lower (3,000 Euros) as there is for public limited liability companies (PLCs) (60,100 Euros). Thus, 73.5% of the Spanish companies are private liability and 22.0% are PLC. This is also the case in France, although the breakdown is more even: 28.6% for private limited liability companies and 63.6% for PLCs. Regarding employment in both countries, the proportion differs: 55.4% of employees work in PLCs and 36.8% in private limited liability companies in Spain, while the related proportions are more marked in France, at 63.6% and 21.7%, respectively. The other legal corporate forms play a residual role in both countries in terms of both the numbers of corporations and of employees.

4. CHARACTERISTICS AND COVERAGE OF THE FRENCH AND SPANISH CENTRAL BALANCE SHEET DATA OFFICE SAMPLES

4.1. French and Spanish Central Balance Sheet Data Office samples

Tables II.2 provide information on sample coverage in respect of numbers of corporations (tables II.2.1) and numbers of employees (tables II.2.2) both by employment range and by sector of activity for 1997. As discussed in previous points, for this study, the CBBE has used in conjunction information from its two annual databases, CBA and CBB, while its French counterpart has, from its two databases (FIBEN and CB), drawn on the latter's corporations for this study. Nonetheless, tables II give information on both databases. Coverage in terms of the number of corporations in Spain stands at 22.1%. In France the FIBEN database covers 29.1% of total corporations and the CB database, 6.4%. In respect of staff numbers the Spanish sample accounts for 31.6% of total employment and the French sample for 75.9% in the case of the FIBEN and 36.0% in that of the CB (see summary table II.2).

As to the analysis based on employment range, a bias is seen in both countries towards large corporations (over 500 employees). There is coverage in the Spanish case of 53.5% of the number of corporations and 70.2% of the number of employees, and of 85.4% and 88.0%, respectively, in the French FIBEN and of 51.6% in its CB for corporations and employees. Table II.1.1.2 also confirms this

TABLE II.1

POPULATION: COMPARISON SPAIN-FRANCE. SUMMARY TABLE

1. By range of employment   TABLE II.1.1

Range of employment	Number of non financial companies (%)		Number of employees (%)		Company average size (number of employees)	
	Spain	France	Spain	France	Spain	France
0- 49 employees	97.2	95.3	47.6	34.4	5.4	7.1
50-199 employees	2.2	3.7	18.1	17.4	89.1	93.8
200-499 employees	0.4	0.7	10.4	10.8	300.2	302.1
500 and more employees	0.2	0.4	23.9	37.4	1,688.8	2,105.5
TOTAL	100.0	100.0	100.0	100.0	11.1	19.8

2. By activity   TABLE II.1.2

Sectors	Number of non financial companies (%)		Employees of non financial companies (%)		Company average size (number of employees)	
	Spain	France	Spain	France	Spain	France
C MINING AND QUARRYING	0.3	0.3	0.7	0.5	25.7	29.3
D MANUFACTURING	18.2	15.9	30.7	33.5	18.6	41.8
E ELECTRICITY, GAS AND WATER SUPPLY	0.2	0.1	1.0	1.8	47.2	236.0
F CONSTRUCTION	14.8	8.9	11.9	8.0	8.9	17.8
G WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL ARTICLES	30.1	30.3	20.5	20.3	7.5	13.3
H HOTELS AND RESTAURANTS	6.0	5.0	5.5	3.4	10.1	13.5
I TRANSPORT, STORAGE AND COMMUNICATIONS	5.5	4.2	7.3	11.6	14.7	54.2
K REAL STATE, RENTING AND BUSINESS ACTIVITIES	17.9	29.7	13.7	16.6	8.5	11.0
M EDUCATION	1.7	0.7	3.1	0.3	19.9	8.6
N HEALTH AND SOCIAL WORK	1.5	1.1	1.9	1.9	14.6	32.8
O OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICES ACTIVITIES	3.8	3.8	3.7	2.3	10.5	11.9
TOTAL	100.0	100.0	100.0	100.0	11.1	19.8

3. By legal form   TABLE II.1.3

Legal form	Number of non financial companies (%)		Employees of non financial companies (%)		Company average size (number of employees)	
	Spain	France	Spain	France	Spain	France
Public limited companies (PLCs)	22.0	28.6	55.4	63.6	27.8	44.0
Private limited companies	73.5	63.6	36.8	21.7	5.5	6.8
Other companies	4.5	7.8	7.8	14.7	19.3	37.1
TOTAL	100.0	100.0	100.0	100.0	11.1	19.8

Sources: Spanish and French National Statistical Institutes and Central Balance Sheet Offices of Banco de España and Banque de France.

over-representation of large corporations in both samples; while in the population this group accounts for 23.9% of Spanish employment and 37.4% of that in France, in the samples of both countries (CB in the case of France) the figures stands at 53.0% and 53.4%. This bias is also discernible in the analysis of the average size of corporations. In the case of the Spanish sample, average employment per corporation is 15.8 employees (compared with 11.1 employees on average in the population). In France's case, the sample shows average employment of 111.6 employees, substantially higher than the average figure in the population, which stands at 19.8 employees per corporation.

Coverage by sector of activity in Spain shows uneven representation (5). The sectors where the large corporation predominates, such as "production of electricity", "transport, stor-

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(5)   The biases arising from the difference between the structure of the population and that of the sample could be eliminated, in part, by the re-weighting of the sample information on the basis of the weights the different sub-sectors have in the population. The central balance sheet offices, which have used this approach in other studies with different aims, have opted to work with the data obtained directly from their samples. The direct connection thus obtained between the aggregate data and the individual information of the corporations, which is necessary for the type of study being conducted, advises direct use of the aggregate data.

TABLE II.2

COVERAGE TABLE: COMPARISON SPAIN-FRANCE. SUMMARY TABLE

	Number of employees	Coverage rate	Number of employees	Coverage rate
SPAIN				
Sample	128,831	22.1%	2,034,723	31.6%
Population	582,936		6,442,364	
FRANCE				
Samples: FIBEN	165,708	29.1%	8,517,082	75.9%
CdB	36,244	6.4%	4,044,900	36.0%
Population	569,512		11,221,880	

Sources: Spanish and French National Statistical Institutes and Central Balance Sheet Offices of Banco de España and Banque de France.

age and communications", "mining" and, to a lesser extent, "manufacturing", exhibit coverage in respect of numbers of employees of 100.0%, 66.5%, 45.9% and 34.7%, respectively (see table II.2.2.1 in the statistical annex). By contrast, sectors where the number of small corporations is higher, such as "hotels and restaurants", "construction" and "real-estate", are less well represented, with employment coverage of 19.3%, 23.5% and 25.4%, respectively.

In the case of France, the situation differs according to the database analysed. Employment coverage in the FIBEN database rises to figures of 95.7% in "production of electricity", 89.0% in "transport, storage and communications" and 82.3% in "manufacturing", while in the CdB database the figures are 9.0%, 29.9% and 55.3%, respectively (see table II.2.2.2 in the statistical annex). As the purpose of this study is the analysis of industrial corporations and since the CdB represents this sector well and is more in keeping with the figures from the Spanish sample, it is this database which has been selected by the Banque de France.

4.2. Criteria in the construction of the sample in this study

The analysis of the financial structure and performance of companies is based on the analysis of the balance sheets and profit and loss accounts of non financial companies available in the databases of each national central bank. In the case of France a number of two-year sliding samples (6) were drawn from the base material, covering the period under review in overlapping sections. Such an approach, which is in fact commonly adopted by the Bank of Spain since the annual accounts of the companies are available two consecutive years in the Spanish database is appropriate to mirror economic evolutions. The same companies are analysed in the years N and N-1; the companies which were declared bankrupt or ceased to exist in year N as well as those which were set up in year N will be set apart from the two year (N-1, N) sliding sample. This way of processing data provides the most valuable and accurate information on the economic evolution by analysing the highest possible number of companies.

In chapter III of this document, the *industrial companies* of the CdB French sample and CBA/CBB Spanish samples have been analysed for the years 1991 to 1999. Thus, studied companies are classified in section D of the NACE- Rev 1 (CNAE 1993 in Spain and INSEE's NAF 1993 classification in France) excluding "Refined petroleum products and nuclear fuel". Within the industrial companies, an analysis by size and by sector of activity has been developed in the mentioned chapter.

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(6)   The figures and ratios of the second year of each sliding sample were used to make the graphs.

- Size: Industrial companies have been analysed considering their size. In this study, the three following sizes have been considered:

    1. Small companies: Between 0 and 49 employees

    2. Medium: Between 50 and 249 employees

    3. Large: From 250 and more employees. Within this size, two more categories have been analysed:

        — From 250 to 499 employees

        — 500 or more employees

- Sector of activity: French and Spanish companies have been divided in three categories attending to the type of product they manufacture, with the aim to know better their behaviour. In this way, we can distinguish:

    1. Industry of consumption goods

    2. Industry of intermediate goods

    3. Industry of capital goods

- Statistical indicators: The two statistical indicators used are, the weighted mean and occasionally the median for some information. The weighted mean can be calculated by dividing the combined numerators by the combined denominators. The median, which once the companies have been ranked in rising order of ratios, separates the population studied into two equal parts. The weighted mean reflects the aggregate position of the industrial sector in each country but this indicator, can be influenced by large firms. The median gives the central value of the distribution and in that case each firm, whatever its size, has the same weight.

A table referred to one specific year of the sample analysed in this study (1997) is presented next. In this table, we can find the number of companies and employees existing in the French and Spanish samples for the industry sector. The table II.3 distinguishes the sizes and the sectors used for this study.

5. METHODOLOGICAL ASPECTS IN THIS STUDY

5.1. Leasing: Differences in national accounting plans

5.1.1. Financial Leasing in France

Owing to the fact that the Fourth EC Directive does not provide any rule for the disclosure of leased assets, the requirements for the disclosure of leasing are not harmonized in the European Union.

In general, it can be stated that under French law, the juridical ownership principle forms the basis of disclosure in individual accounts whereas an economic approach can be adopted in consolidated accounts. French financial statements disclose finance-leased assets within the bal-

TABLE II.3

SAMPLE OF THE STUDY. YEAR 1997

	Number of companies		Number of employees	
	Spain	France	Spain	France
Total industry	23,473	14,833	734,818	1,863,130
By range of employment				
0-49 employees	21,904	9,249	217,529	237,106
50-249 employees	1,094	4,278	112,171	465,190
250 and more employees	475	1,306	405,118	1,160,834
250-499	249	714	80,766	248,536
500 and more	226	592	324,352	912,298
By sector				
Consumer goods	10,635	4,843	243,699	544,644
Capital goods	3,957	3,347	218,933	586,877
Intermediate goods	8,881	6,643	272,185	731,609

Sources: Banco de España and Banque de France.

ance sheet of the lessor and not the lessee until a purchase option is exercised. Under these conditions, *the accounting of leasing in individual accounts is not the same in France and in Spain.*

In this study, to comply with the French accounting principles, leased assets are not included in the total balance sheet on the assets side and lease commitments are not included in the balance sheet on the liabilities side. However supplementary information provided by members of the Central Balance Sheet Office makes it possible to evaluate the weight of financial leasing and improve the quality of comparisons made between companies.

Therefore extra information is given:

— On the one hand the weight of leased assets can be appreciated by the ratio " net leased assets/total balance sheet ".

— On the other hand the weight of lease commitments has been measured by comparing its amount to the total financial debt.

In the profit and loss account, the annual finance lease charge is split into two parts:

— The first corresponds to an estimate of the depreciation charges that the company would have paid if it had acquired the fixed assets instead of entering into a finance lease agreement;

— The second part corresponds to the interest expense of the imputed loan.

In flows, *productive investment*, has been increased by the amount of the value of the assets appearing in the contract.

To sum up, in French accounting there is a dual approach of leasing, the juridical approach is adopted in French individual accounts whereas the economic approach is favoured in consolidated accounts. In this study based on the analysis of individual accounts, the juridical approach is adopted, so, leased assets are not booked on the assets side nor are lease commitments on the liabilities side. However to evaluate the importance of financial leasing in the total assets, the ratio of "leasing over total assets" has been calculated.

5.1.2. Financial Leasing in Spain

The Spanish General Accounting Plan, conferred by RD 1643/1990 establishes in its valuation rules a specific reference in relation with leasing accounting.

"When due to the economic conditions of a financial leasing there are no reasonable doubts that the purchase option will be carried out, the tenant should register the operation in the following terms.

The rights derived of financial leasing contracts referred in the above paragraph, should enter in the accounts as intangible assets by its cash price, it has to be registered in the liability side the entire debts, finance lease payments plus purchase option value. The difference between both prices, the financial expenses of the transaction, has to be registered as expenses to be distributed in several years. The rights registered as intangible assets have to be amortised, whenever necessary, attending to the lifetime of the asset. When the asset is purchased, the value of the rights registered and its correlative accumulated amortisation will be cancelled and this amount will be transferred to tangible assets. Expenses to be distributed in several years should be attributed to results according to a financial criterion.

In case of lease back, when the economic conditions of a sale, related to the financial leasing of sole assets, show out that this is a way of financing, the tenant has to register the transaction in the following way. He has to cancel the asset with its net value and has to recognise the intangible asset with the same value. He also has to register in the liabilities the financial lease payments plus purchase option value; the difference between the debt and the received finance should be registered as expenditures to be distributed in several years".

To sum up, the Spanish General Accounting Plan, establishes that the financial leasing has to be registered as intangible assets if the asset is going to be bought through the purchase option. On the contrary, the French General Accounting Plan does not contemplate the activation of the leased asset. *To guarantee the comparison of the data in this study, Banco de España has removed the leasing from the assets of the balance sheet and the debt generated by these assets has been estimated and removed from the liabilities.*

5.2. Way of registering discounted bills

The Spanish General Accounting Plan establishes that companies that decide to discount a commercial bill in a bank, have to register the operation in the asset of the balance sheet through the account "Clients, trade bills" when accepting the bills. In relation to the financing obtained through the discount of this bill, in the liabilities we should register a debt with the financial institutions. The French General Accounting Plan does not include this information in the balance sheet but this type of information is available in one of the annexes. In order to being able to compare the balance sheets of industrial companies in both countries, the Banque de France has included the information of discounted bills under customers in assets and under short term debts with banks in the liabilities.

5.3. Way of registering terms according to expiry date

The criteria of the Spanish General Accounting Plan (according to international rules) in relation to the classification between short and long term is the one that attends to the maturity date of assets/liabilities. This means that a financial investment, a right or a obligation of pay-

ment that expires in term higher than one year, will be classified in the long term when it is originated, but it will be reclassified as short term the year before it is going to expire. In the case of France, the analysis of bank debt according to its maturity is based on the nature of the term either long or short when it is originated. Under these conditions borrowing with a term of less than one year is included in medium and long –term debt in France even the year before it is going to expire if at the origin this loan was extended for more than a year whereas it is included in short-term debt in Spain.

This different way to register between the two countries is not able to correct in this document, what must be known by the reader.

5.4. Transition tables

5.4.1. Balance Sheet

The following table presents the variables of the Balance Sheet used in this study and the codes of the French tax form and the Spanish questionnaires which allow calculating them. French tax form is presented next to the table with the description of the codes. In the case of Spanish questionnaires, they can be consulted in the web page of the Banco de España *(www.bde.es)*.

5.4.2. Profit and Loss Account

Next table presents the variables of the Profit and Loss account used in this study and the codes of the French tax form and the Spanish questionnaires which allow calculating them.

SCHEME II.1

TRANSITION TABLE OF THE BALANCE SHEET ITEMS

BALANCE SHEET FORMAT FOR THIS STUDY	FRANCE (1)	SPAIN (2)		
		CBA database		CBB database
	Codes of French tax form	Codes of Normal questionnaire	Codes of Abridged questionnaire	Codes of CBB questionnaire
ASSETS ITEMS	**I+II**	**I+II**	**I+II**	**I+II**
I. Fixed assets	**I.1 to I.3**	**I.1 to I.3**	**I.1 to I.3**	**I.1 to I.3**
1. Intangible fixed assets	AB-AC+AD-AE+AF-AG +AH-AI+AJ-AK+AL-AM	103+146+104-106+387	103+146+104-190	121000+130000+ 122000
2. Tangible fixed assets	AN-AO+AP-AQ+AR-AS +AT-AU+AV-AW+AX-AY	111+112-121-122+113 -123-130+114+115+116 +117+118+1307-124- 125-126-127-128+1306	110	123000
3. Financial fixed assets	CS-CT+CU-CV+BB-BC +BD-BE+BF-BG+BH-BI	131+141-187	131+141	124000+125000
II. Current assets	**II.1 to II.4**	**II.1 to II.4**	**II.1 to II.4**	**II.1 to II.4**
1. Stocks	BL-BM+BN-BO+BP- BQ+BR-BS+BT-BU	153	153	142000
2. Trade debtors	BV-BW+BX-BY	142+158-162	142+983+129+ (158-983-129)*k637	143000+147000 +217000
3. Other debtors	BZ-CA	310+171+172+173 +362+363-365-176 +198+162+187+182	310+(166*k97)+(158 -983-129)*k363+182	
4. Liquidities	CD-CE+CF-CG	177+311+168+169 +170+174-175+360 -199+361-364+178	177+311+178 +(166*k903)	144000+145000+ 218000+146000
LIABILITIES ITEMS	**III + IV +V**	**III + IV +V**	**III + IV +V**	**III + IV +VI**
III. Own Funds	DL	302-101-152+303 +304+305+312-314 -797+306-307+308 +309-106+387+ ((106*149)/ (((387*913)/516)+149))	302-101-152+ 303 +304+305+312+191 +309-190+(-146+ ((146*190)/104))	211000-110000 -141000+ 212000 +213000+214000 +215000+216000 +220000
IV. Provisions for risks and charges	DR	779+874+875+876 +1321+1328	317+332	230000+260000
V. External sources of funds	**V.1 to V.3**	**V.1 to V.3**	**V.1 to V.3**	**V.1 to V.3**
1. Financial debt	DS+DT+DU+DV+DO	324+985+325+986- ((106*149)/ (((387*913)/516)+149))+ 329+988+326+327 +330+366+328+331 +987-1027 +335+352+989+996	322+998+900-(-146 +((146*190)/104))	240000+250000
2. Trade creditors	DW+DX	338+337+339+346 +991+992+993	(600*k323)+999	
3. Other creditors	DY+DZ+EAI	342+351+995+340+341 +343+347+314+797	(600*k677)	
PRO-MEMO: Loans from group and associated companies	6324.4 + 6118 + 6312.4 + VI	985+986+988+989 +349+350+996	323	n.a.
Loans to group and associated companies (on assets side)	6219.4+6117+VC			

(1): See French tax form next to this table
(2): See Spanish questionnaires in the web page of Banco de España (www.bde.es)

SCHEME II.2

FRENCH TAX FORM

Assets	N°	Liabilities	N°
Uncalled capital	AA	Subscribed capital	DA
Formation expenses	AB-AC	Share premium account	DB
Research and development cost	AD-AE	Revaluation reserve	DC
Patents and licences	AF-AG	Legal reserves	DD
Goodwill	AH-AI	Statutory or contractual reserves	DE
Other intangible fixed assets	AJ-AK	Special tax-based reserves	DF
Advance payments relating to intangibles	AL-AM	Other reserves	DG
Land	AN-AO	Profit or loss brought forward	DH
Buildings	AP-AQ	Profit or loss of the financial year)	DI
Industrial fixtures and equipment	AR-AS	Grants and subsidies	DJ
Other tangible fixed assets	AT-AU	Special tax-based provisions	DK
Tangible fixed assets in progress	AV-AW	**Total (I)**	DL
Advance payments on fixed assets	AX-AY	Profits from the issuance of subordinated equity	DM
Participations	CS+CU-CT-CV	Conditional advances	DN
Loans to groups and associated companies	BB-BC	**Total (II)**	DO
Other holdings	BD-BE	Provisions for risks	DP
Loans	BF-BG	Provisions for charges	DQ
Other financial fixed assets	BH-BI	**Total (III)**	DR
Total (I)	BJ-BK	Convertible debenture loans	DS
Raw material and supplies	BL-BM	Other debenture loans	DT
Goods in progress	BN-BO	Borrowings from credit institutions	DU
Services in progress	BP-BQ	Other borrowings and loans	DV
By -products and finished goods	BR-BS	Advances and deposits received on orders	DW
Merchandise	BT-BU	Trade creditors and related liabilities	DX
Advances to suppliers	BV-BW	Fiscal and social security charges	DY
Trade debtors	BX-BY	Fixed assets creditors	DZ
Other debtors	BZ-CA	Other liabilities	EA
Subscribed capital called but unpaid	CB-CC	Accruals and deferred income	EB
Current investment	CD-CE	**Total (IV)**	EC
Cash in hand, at banks	CF-CG	Exchange rate differences (liabilities) (V)	ED
Prepayments and accrued income	CH-CI	**General Total (I to V)**	EE
Total (II)	CJ-CK		
Deferred charges (III)	CL		
Premiums on redemption (IV)	CM		
Exchange rate differences (assets) (V)	CN		
Total (I to V)	CO		

Loans and advances granted to groups and associated companies — VC

Loans to group and related entities (62194 [1]+6117[1]+VC)
[1]The item 6219.4 is an extract from the items BB, BF and BH of the balance sheet
The item 6117 is an extract from the items BX the balance sheet VC is an extract from BZ
Leasing: items of additional information forms in the French Central Balance Sheet Data Office Base
Leasing

Loans raised from groups and associated companies — VI

Loans raised from groups and associated companies
(F.: 6324.4 + 6118 + 6312.4 + VI)
VI is an extract from EA
The item 6324.4 is an extract of the item DN of the balance sheet
The item 6118 is an extract of the item DX of the balance sheet
The item 6312.4 is an extract of the item DV of the balance sheet

$$6605.1 + 6605.2 - \left[\frac{6608.2 \times (6605.2 - 6606.2)}{6607.2}\right] - \left[\frac{6608.2 \times (6605.2 - 6606.2)}{6607.2}\right]$$

SCHEME II.3

TRANSITION TABLE OF THE PROFIT AND LOSS ACCOUNT ITEMS

PROFIT AND LOSS ACCOUNT FORMAT FOR THIS STUDY	FRANCE	SPAIN		
	Codes of French tax form	CBA database		CBB database
		Codes of Normal questionnaire	Codes of Abridged questionnaire	Codes of CBB questionnaire
1. Output, of which:	FC+FF+FI+FM +FN+FO+FQ	701+708+711-1309 +1450+704-501+705 +706+763+764+792 -1292+709	701+1305+1303+705	401009
- Net turnover	FL	701	701	401000
2. Input	FS+FU+FT+FV+FW-HP -HQ+FX	503-1375-1450-1309 +1375+504+529+763- 535	582-1375-1450-1309 +1375+1301+504+529	301009+306000
S.1. Gross Added Value	**1-2**	**1-2**	**1-2**	**1-2**
3. Personnel expenses	FY+FZ+HJ	505-511	505	303000
S.2. Gross Operating Profit	**S.1-3**	**S.1-3**	**S.1-3**	**S.1-3**
4. Net Financial Income	4.1-4.2	4.1-4.2	4.1-4.2	4.1-4.2
1. Financial Income	GJ+GK+GL	712+728-717-787-560	712	402009-402040
2. Financial Expenses	GR+66.11.1+66.11.2- [66.11.1*(66.03.1- 66.06.1-66.09.1) /(66.07.1+66.10.1)]- [66.11.2+(66.03.2- 66.06.2-66.09.2) /(66.07.2+66.10.2)]	536+764-586-599-542- 543-579-581	536	307000-307040
S.3. Ordinary Cash Flow	**S.2+4**	**S.2+4**	**S.2+4**	**S.2+4**
5. Net Extraordinary Income	HA-HE	725-557+511-1097	725-557	412000-314000
6. Corporate income tax	HK	563	563	315000+316000
S.4. Cash Flow	**S.3-5-6**	**S.3-5-6**	**S.3-5-6**	**S.3-5-6**
7. Operating depreciation and provision	GA + GB + GC +GD- 64.19 - UF + [66.11.1 x (66.03.1- 66.06.1- 66.09.1)] / (66.07.1 + 66.10.1) + [66.11.2 x (66.03.2 – 66.06.2 – 66.09.2)] / (66.07.2 + 66.10.2)	513+535-873+525	513+535-873+525	304000+305000
S.5. Net Ordinary Result	**S.3-7**	**S.3-7**	**S.3-7**	**S.3-7**

SCHEME II.4

FRENCH PROFIT AND LOSS ACCOUNT (LIST FORMAT)

OPERATING INCOME

Sales of bought-in goods*	FC
Sales of own goods	FF
Services	FI
Net sales	FL
Change in inventories of own production of goods and services*	FM
Own production of goods and services capitalized*	FN
Operating subsidies	FO
Write-back of depreciation, amortization and provisions, expense reclassifications*	FP
Other operating income	FQ
Total operating income	FR

OPERATING EXPENSES

Purchases of bought-in goods (including customs duties)*	FS
Change in inventories of bought-in goods	FT
Purchases of raw materials and other supplies (including customs duties)*	FU
Change in inventories of raw materials and supplies*	FV
Other purchases and external charges (3)*	FW
Duties and taxes other than income tax	FX
Wages and salaries*	FY
Employee welfare contributions and similar charges	FZ

DEPRECIATION, AMORTISATION AND CHARGES TO PROVISIONS (OPERATING)

On non-current assets Depreciation and amortisation*	GA
Charges to provisions	GB
On curent assets: charges to provisions	GC
For contingencies and losses: charges to provisions	GD
Other charges	GE
Total operating expenses	GF
1 -NET INCOME (Loss) from operations (I-II)	GG

Joint venture operations

Profits transferred in or losses transferred out*	(III)	GH
Profits transferred out or losses transferred in*	(IV)	GI

FINANCIAL INCOME

Financial income from participating interests	GJ
Income from other transferable securities and long-term loans	GK
Other interest and similar income	GL
Write-back of provisions and expense reclassifications	GM
Positive foreign exchange differences	GN
Net proceeds from sale of short-term investments	GO
Total financial income (V)	GP

FINANCIAL EXPENSES

Amortization and charges to provisions for financial items*	GQ
Interest and similar charges	GR
Negative foreign exchange differences	GS
Net charges on sales of short-term investments	GT
Total financial expenses (VI)	GU
2 – NET INCOME/(LOSS) FROM FINANCIAL ITEMS (V – VI)	GV
3 – NET INCOME BEFORE EXCEPTIONAL ITEMS/INCOME TAX (I – II + III – IV + V – VI)	GW

SCHEME II.4

FRENCH PROFIT AND LOSS ACCOUNT (LIST FORMAT) (continuación)

EXCEPTIONAL INCOME

Exceptional income from non-capital transactions   HA

Exceptional income from capital transactions*   HB

Write-back of provisions and expense reclassifications   HC

Total exceptional income (VII)   HD

EXCEPTIONAL CHARGES

Exceptional charges on non-capital transactions   HE

Exceptional charges on capital transactions*   HF

Exceptional depreciation, amortisation and charges to provisions   HG

Total exceptional charges (VIII)   HH

4 - NET EXCEPTIONAL ITEMS (VII – VIII)   HI

Statutory employee profit-sharing scheme   (IX)   HJ

Corporate income taxes*   (X)   HK

TOTAL EXPENSES (II + IV + VI + VIII + IX + X)   HM

5 – NET INCOME/(LOSS) FOR THE PERIOD (total income less total expenses)   HN

Notes

(3)   Of which   Capital leases on equipment   HP

                            Capital leases on real estate   HQ

All the items with a number codification are supplementary information supplied by the Central balance sheet office. All the items in 66 concern the restatement of leasing.