

**CORRUPTION WATCH (RF) NPC  
REGISTRATION NO.K2011/118829/08**

**(NPO REGISTRATION NO. 102-843-NPO)**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2016**

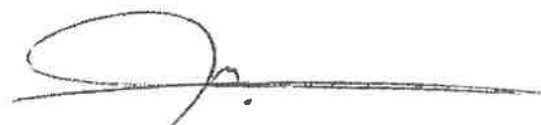
**CORRUPTION WATCH (RF) NPC  
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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**The annual financial statements  
have been compiled by :**



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L. Ntambw

CORRUPTION WATCH (RF) NPC  
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 102-843-NPO)

## DIRECTORS' RESPONSIBILITIES AND APPROVAL

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with its accounting policies. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium - sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets out standards for internal control aimed at reducing the risk of error or loss in a cost - effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

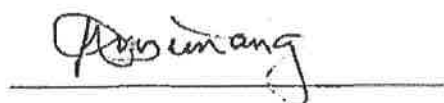
The directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31<sup>st</sup> December 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of directors is primarily responsible for the financial affairs of the company, it is supported by the company's external auditors.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 2 and 3.

The financial statements set out on pages 5 to 20, which have been prepared on the going concern basis, were approved by the board of directors on the 7<sup>th</sup> March 2017 and were signed on its behalf by:



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**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS****CORRUPTION WATCH (RF) NPC**  
**REGISTRATION NO. K2011/118829/08**  
**(NPO REGISTRATION NO. 102-843-NPO)****Unqualified Opinion**

We have audited the financial statements of Corruption Watch (RF) NPC set out on pages 6 to 20, which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements fairly present, in all material respects, the financial position of Corruption Watch (RF) NPC as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with its accounting policies, International Financial Accounting Standards for Small and Medium - sized Entities and the Companies Act of South Africa.

**Basis for Unqualified Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), together with the ethical requirements that are relevant to our audit of financial statements in South Africa. We have fulfilled our other ethical requirements in accordance with these requirements and the IRBA Code. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The board of directors is responsible for the other information. The other information comprises the Report of the Directors. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Key Audit Matters**

No Key Audit Matters were identified during the current year audit.

## **Responsibilities of Management and Those Charged With Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with their accounting policies, the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences.



**DC Douglas  
Douglas & Velich  
Chartered Accountants (S.A.)  
Registered Accountants and Auditors**

**Johannesburg  
7 March 2017**

**CORRUPTION WATCH (RF) NPC  
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**REPORT OF THE DIRECTORS FOR THE  
YEAR ENDED 31 DECEMBER 2016**

Your board of directors presents its report, together with the audited financial statements of the company for the financial year ended 31 December 2016.

**NATURE OF ACTIVITIES**

The company is a new civil society initiative which contributes to reducing corruption in South Africa. Corruption Watch focuses on the abuse of public resources (and we also deal with abuse of union resources and charitable resources which are donated by the public).

Corruption Watch contributes to reducing corruption in two ways:

- Firstly, by encouraging people to **resist** corruption
- Secondly, by helping to make the policy, social and political environment in South Africa less conducive to corruption.

The core business of Corruption Watch (CW) was described in the pre-launch period as 'gathering, analysis and dissemination of information that will enable citizens and their organised representatives, as well as public sector agencies and institutions, to combat corruption'.

**RESULTS**

The results for the year are fully disclosed in the attached financial statements.

**POST FINANCIAL POSITION EVENTS**

No material fact or circumstance has occurred between the financial position date and the date of the audit report.

**EQUIPMENT**

During the year under review, the company acquired equipment costing R178,833 (2015:R159,314).

**DIRECTORS**

The following directors served during the year under review :-

ZW Vavi	A Hassim
M Msimang	ME Metcalfe
CME O'Regan	AL Brown
V Dubula - Majola	V Pikoli
DH Lewis	
Archbishop WN Ndungane	E Mashinini - resigned during the year

**OFFICER**

DH Lewis

**AUDITORS**

Douglas and Velcich were retained as auditors for the year under review.

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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Note	2016 R	2015 R
<b>ASSETS</b>		<b>5 639 439</b>	<b>5 532 459</b>
<b>Non current assets</b>		<b>266 573</b>	<b>222 624</b>
Equipment	3	266 573	222 624
<b>Current assets</b>		<b>5 372 866</b>	<b>5 309 835</b>
Accounts receivable	4	1 245 490	477 493
Cash and cash equivalents	5	4 127 376	4 832 342
<b>Total assets</b>		<b>5 639 439</b>	<b>5 532 459</b>
<b>RESERVES AND LIABILITIES</b>		<b>5 639 439</b>	<b>5 532 459</b>
<b>Reserves</b>		<b>2 304 103</b>	<b>1 773 347</b>
Accumulated surplus		597 513	414 777
Equipment fund		266 573	222 624
Sustainability fund		1 440 017	1 135 946
<b>Current liabilities</b>		<b>3 335 336</b>	<b>3 759 112</b>
Accounts payable	6	549 889	103 545
Deferred income	7	2 411 046	3 166 978
Provision for leave pay	8	374 401	488 589
<b>Total reserves and liabilities</b>		<b>5 639 439</b>	<b>5 532 459</b>



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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 R	2015 R
<b>INCOME</b>		<b>23 642 727</b>	<b>16 065 258</b>
Grants and donations	9	23 364 738	15 769 596
Sundry income		13 680	30 399
Interest received	10	264 309	265 263
<b>EXPENDITURE</b>		<b>23 000 577</b>	<b>15 464 450</b>
Assets expensed directly		7 105	-
Audit fees		38 685	34 830
Bank charges		27 075	17 595
Communication costs		109 952	121 643
Consulting fees		88 715	55 426
Director's emoluments	11	277 007	470 389
Donations		7 500	20 000
Equipment lease and maintenance		8 675	7 517
Fundraising costs		50 000	-
Insurance		28 329	23 319
Office renovations		-	73 453
Office supplies		55 698	88 814
Printing and stationery		11 762	7 103
Programme costs	11/12	19 884 764	10 216 375
Provision for irrecoverable VAT		-	273 705
Rent, parking, water and electricity		166 035	140 265
Repairs and maintenance		1 478	4 087
Salaries, wages and contributions		1 989 330	3 713 921
Staff training and welfare		450	83 838
Travel and accommodation		248 017	112 170
<b>SURPLUS FOR THE YEAR</b>		<b>642 150</b>	<b>600 808</b>

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STATEMENT OF CHANGES IN RESERVES FOR  
THE YEAR ENDED 31 DECEMBER 2016

	Accumulated Surplus R	Equipment Fund R	Sustainability Fund R	Total R
<b>Balance at 31 December 2014</b>	414 777	231 822	683 535	1 330 134
Surplus for the year	600 808	-	-	600 808
Transfer to equipment fund	(148 397)	148 397	-	-
Acquisition during the year	(159 314)	159 314	-	-
Proceeds on disposal of equipment	10 917	(10 917)	-	-
Profit on disposal of assets	-	4 592	-	4 592
Depreciation during the year	-	(162 187)	-	(162 187)
Transfer to sustainability fund	(452 411)	-	452 411	-
<b>Balance at 31 December 2015</b>	<b>414 777</b>	<b>222 624</b>	<b>1 135 946</b>	<b>1 773 347</b>
Surplus for the year	642 150	-	-	642 150
Transfer to equipment fund	(155 343)	155 343	-	-
Acquisition during the year	(178 833)	178 833	-	-
Proceeds on disposal of equipment	23 490	(23 490)	-	-
Profit on disposal of assets	-	7 541	-	7 541
Depreciation during the year	-	(118 935)	-	(118 935)
Transfer to sustainability fund	(304 071)	-	304 071	-
<b>Balance at 31 December 2016</b>	<b>597 513</b>	<b>266 573</b>	<b>1 440 017</b>	<b>2 304 103</b>

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**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 31 DECEMBER 2016**

	Note	2016 R	2015 R
<b>Cash flows from operating activities</b>			
Cash receipts from funders and donors		22 622 486	13 290 750
Cash paid to programmes, suppliers and employees		(23 436 418)	(15 409 697)
<b>Cash (utilised in) operations</b>	<b>15</b>	<b>(813 932)</b>	<b>(2 118 947)</b>
Interest received	10	264 309	265 263
<b>Net cash (outflow) from operating activities</b>		<b>(549 623)</b>	<b>(1 853 684)</b>
<b>Cash flows (utilised in) investing activities</b>			
Acquisition of equipment, at cost	3	(178 833)	(159 314)
Proceeds from disposal		23 490	10 917
<b>Net (decrease) in cash and cash equivalents</b>		<b>(704 966)</b>	<b>(2 002 081)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>4 832 342</b>	<b>6 834 423</b>
<b>Cash and cash equivalents at end of year</b>	<b>5</b>	<b>4 127 376</b>	<b>4 832 342</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**ACCOUNTING POLICIES**

1. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small, Medium - sized Entities and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for financial instruments, and incorporate the following principal accounting policies set out below.

**1.1 SIGNIFICANT JUDGEMENTS**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

**1.2 EQUIPMENT**

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Any capital costs of less than R7,000 are expensed directly to profit or loss, as per the guidelines provided by SARS.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

<b>Item</b>	<b>Useful life</b>
Computer equipment	3 years
Office equipment	5 years
Office furniture	6 years

The depreciation charge for each period is recognised in equipment fund, unless it is included in the carrying amount of another asset.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2016 (Continued)**

**ACCOUNTING POLICIES (Continued)**

**1.2 EQUIPMENT (Continued)**

The gain or loss arising from the derecognising of an item of equipment is included in the equipment fund when the item is derecognised. The gain or loss arising from the derecognising of an item of equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

This is deviation from IAS 16, which requires that all asset purchases are capitalised and depreciated, through profit or loss. This deviation has been resolved by raising an equipment fund as discussed in note 1.5.

**1.3 FINANCIAL INSTRUMENTS**

**Measurement**

Financial instruments carried on the statement of financial position include bank balances, accounts receivable and accounts payable. Financial instruments are initially measured at cost as at trade date, which includes transaction costs. Subsequent to initial recognition, the following instruments are measured as set out below :-

**Accounts receivable**

Accounts receivable is stated at cost less provision for impairment losses.

**Cash and cash equivalents**

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value.

Cash and cash equivalents are measured at fair value.

**Accounts payable**

Accounts payable which are short - term obligation, are stated at their nominal value.

**1.4 IMPAIRMENT**

The carrying amounts of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is the higher of the net selling price and the value in use.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2016 (Continued)**

**ACCOUNTING POLICIES (Continued)**

**1.5 EQUIPMENT FUND**

In order that operating reserves reflect assets available to the operations of the organisation, an equipment fund is maintained to separate out the funding of such assets.

The mechanism whereby this fund is maintained at a value equal to the carrying value of such assets in the statement of financial position is that an amount equal to the cost of assets acquired be charged against operating income each year and credited to the fund.

Depreciation, and profits and losses on disposal are adjusted annually against the fund.

**1.6 PROVISIONS**

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

**1.7 LEASES AS LESSEE**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value on the the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payment is the effective interest rate.

Any initial direct costs are added to the amount recognised as an asset.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expenses in the period they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

**1.8 REVENUE RECOGNITION**

Income from grants is brought to account in the financial period to which it relates.

All other income is brought to account as and when received.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
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**ACCOUNTING POLICIES (Continued)**

**1.9 INTEREST INCOME**

Interest is brought to account as and when received.

**1.10 EXPENDITURE**

Expenditure is accounted for on the accrual basis of accounting.

**1.11 PROJECT ACCOUNTING AND EXPENSE ALLOCATION**

In terms of its contractual obligations to donors, the company's policy is to allocate project expenses that are clearly identifiable as such, directly against project funds. Indirect and shared costs are apportioned on the basis of management estimates.

Accrued and deferred grant income is based on the balance of the project fund after taking into account the direct, indirect and shared costs as described above. The unexpended surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

**1.12 EMPLOYEE BENEFITS**

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**2. MEMBERS' GUARANTEE**

In terms of the Memorandum of Association, members guarantee to each contribute R2,00 in the event of the company being wound up. At the statement of financial position date, the guarantee value amounted to R14.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
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3. EQUIPMENT

	Computer equipment R	Office equipment R	Office furniture R	Total R
<b>31 December 2016</b>				
<b>Net book value - 1 January 2016</b>	<b>155 505</b>	<b>27 697</b>	<b>39 422</b>	<b>222 624</b>
At cost	1 170 846	44 874	168 225	1 383 945
Accumulated depreciation	(1 015 341)	(17 177)	(128 803)	(1 161 321)
Additions during the year	178 833	-	-	178 833
Depreciation for the year	(102 463)	-	(16 472)	(118 935)
<b>Disposal of assets</b>	<b>(15 949)</b>	<b>-</b>	<b>-</b>	<b>(15 949)</b>
At cost	(26 099)	-	-	(26 099)
Accumulated depreciation	10 150	-	-	10 150
<b>Net book value - 31 December 2016</b>	<b>215 926</b>	<b>27 697</b>	<b>22 950</b>	<b>266 573</b>
At cost	1 323 580	44 874	168 225	1 536 679
Accumulated depreciation	(1 107 654)	(17 177)	(145 275)	(1 270 106)
<b>31 December 2015</b>				
<b>Net book value - 1 January 2015</b>	<b>176 991</b>	<b>505</b>	<b>54 326</b>	<b>231 822</b>
At cost	1 081 180	4 990	148 792	1 234 962
Accumulated depreciation	(904 189)	(4 485)	(94 466)	(1 003 140)
Additions during the year	99 997	39 884	19 433	159 314
Depreciation for the year	(115 158)	(12 692)	(34 337)	(162 187)
<b>Disposal of assets</b>	<b>(6 325)</b>	<b>-</b>	<b>-</b>	<b>(6 325)</b>
At cost	(10 331)	-	-	(10 331)
Accumulated depreciation	4 006	-	-	4 006.00
<b>Net book value - 31 December 2015</b>	<b>155 505</b>	<b>27 697</b>	<b>39 422</b>	<b>222 624</b>
At cost	1 170 846	44 874	168 225	1 383 945
Accumulated depreciation	(1 015 341)	(17 177)	(128 803)	(1 161 321)



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
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	2016 R	2015 R
<b>4. ACCOUNTS RECEIVABLE</b>		
Lease and telephone deposits	2 060	45 220
Prepaid expenses	109 688	9 830
VAT receivable	1 407 447	696 148
Less : provision for irrecoverable VAT	(273 705)	(273 705)
	<b>1 245 490</b>	<b>477 493</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Current account	1 591 485	700 605
Marketlink accounts	1 134 468	3 061 760
Money market account	1 399 332	1 068 551
Petty cash	2 091	1 426
	<b>4 127 376</b>	<b>4 832 342</b>
<b>6. ACCOUNTS PAYABLE</b>		
Accruals	170 691	119 759
Sundry creditors	379 198	(16 214)
	<b>549 889</b>	<b>103 545</b>
<b>7. DEFERRED INCOME</b>		
Claude Leon Foundation	80 000	-
The Ford Foundation	-	458 390
Heinrich Boell Stiftung	5 499	-
The Joffe Charitable Trust	-	56 868
Oppenheimer Memorial Trust	495 525	394 734
Open Society Foundation for South Africa	658 601	1 121 103
Raith Foundation	559 965	978 809
Second Stella and Paul Loewenstein Charitable and Educational Trust	-	72 725
Social Justice Initiative	43 406	-
Transparency International	568 050	84 349
	<b>2 411 046</b>	<b>3 166 978</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2016 (Continued)**

	2016 R	2015 R
<b>8. PROVISION FOR LEAVE PAY</b>		
Balance at beginning of the year	488 589	321 708
Additions during the year	494 649	673 271
(Utilised) during the year	(608 837)	(506 390)
	<b>374 401</b>	<b>488 589</b>
<b>9. GRANTS AND DONATIONS</b>		
Atlantic Philanthropies	-	225 697
Deferred to 2015	-	225 697
Aveng	-	293 570
Deferred to 2015	-	293 570
The Bertha Foundation	250 000	974 156
Received	250 000	-
Deferred to 2015	-	974 156
Claude Leon Foundation	1 250 000	1 501 514
Received	1 250 000	1 250 000
Deferred to 2015	-	251 514
Claude Leon Foundation - special project	70 000	-
Received	150 000	-
Deferred to 2017	(80 000)	-
The Ford Foundation	1 821 178	1 407 245
Received	1 362 788	1 865 635
Deferred to 2016	458 390	(458 390)
Freedom House	183 115	-
Received	183 115	-
Heinrich Boell Stiftung	394 501	314 000
Received	400 000	313 333
Deferred to 2015	-	667
Deferred to 2017	(5 499)	-
Hivos	1 687 673	867 494
Received	1 687 673	-
Deferred to 2015	-	867 494
The Indigo Trust	-	270 000
Received	-	270 000
The Joffe Charitable Trust	390 201	276 466
Received	333 333	333 334
Deferred to 2016	56 868	(56 868)
The Mary Slack & Daughters Foundation	750 000	-
Received	750 000	-
<b>Balance carried forward</b>	<b>6 796 668</b>	<b>6 130 142</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
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	2016 R	2015 R
<b>9. GRANTS AND DONATIONS (Continued)</b>		
<b>Balance brought forward</b>	<b>6 796 668</b>	<b>6 130 142</b>
Millennium Trust	2 600 000	3 081 978
Received	2 600 000	2 000 000
Deferred to 2015	-	1 081 978
Oppenheimer Memorial Trust	574 209	780 762
Received	675 000	625 000
Deferred to 2015	-	550 496
Deferred to 2016	394 734	(394 734)
Deferred to 2017	(495 525)	-
Open Society Foundation for South Africa	1 712 502	378 897
Received	1 250 000	1 500 000
Deferred to 2016	1 121 103	(1 121 103)
Deferred to 2017	(658 601)	-
Open Society Institute	-	729 773
Deferred to 2015	-	729 773
Raith Foundation	1 654 741	1 667 370
Received	1 500 000	2 295 300
Deferred to 2015	-	350 879
Deferred to 2016	978 809	(978 809)
Deferred to 2017	(559 965)	-
Refunded to donor	(264 103)	-
Second Stella and Paul Loewenstein Charitable and Educational Trust	72 725	2 275
Received	-	75 000
Deferred to 2016	72 725	(72 725)
Sigrid Rausing Trust	2 131 140	1 732 480
Received	2 131 140	1 732 480
Social Justice Initiative	6 456 594	-
Received	6 500 000	-
Deferred to 2017	(43 406)	-
South African Breweries	-	350 000
Deferred to 2015	-	350 000
The Secretary for State for Foreign and Commonwealth Affairs	54 154	-
Transparency International	1 084 828	430 938
Received	1 568 529	515 287
Deferred to 2016	84 349	(84 349)
Deferred to 2017	(568 050)	-
Others	227 177	484 981
	<b>23 364 738</b>	<b>15 769 596</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
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**2016  
R**

**2015  
R**

**9. GRANTS AND DONATIONS (Continued)**

**Total summary**

Received	22 872 909	13 260 350
Deferred to 2015	-	5 676 224
Deferred to 2016	3 166 978	(3 166 978)
Refunded to donor	(264 103)	-
Deferred to 2017	(2 411 046)	-
	<b>23 364 738</b>	<b>15 769 596</b>

**10. NET INTEREST RECEIVED**

Interest earned - marketlink account	<b>264 309</b>	<b>265 263</b>
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**11. DIRECTOR'S EMOLUMENTS**

Executive director - DH Lewis	<b>1 385 035</b>	<b>1 175 971</b>
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**12. PROGRAMME COSTS**

Campaigns	6 096 247	1 946
Communication	3 614 797	3 892 546
Legal policy and investigation	787 397	659 681
Research	812 178	256 193
Stakeholder management	942 931	845 501
Salaries allocated to programmes	7 631 214	4 560 508
	<b>19 884 764</b>	<b>10 216 375</b>

The portion of the director's emoluments related to programme costs is included in the R7,631,214 (2015 : R4,560,508) salary costs that have been allocated to programme costs.

**13. COMMITMENTS**

The company has the following commitments in respect of agreements over office premises and photocopier as follows:

Payable within one year	481 786	143 583
Payable thereafter	160 595	-
	<b>642 381</b>	<b>143 583</b>

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**14. TAXATION**

No provision has been made for taxation as the company has qualified for exemption from income tax as a public benefit organisation under section 10(1)(cN) as read with section 30 of the Income Tax Act.

	<b>2016 R</b>	<b>2015 R</b>
<b>15. CASH (UTILISED IN) OPERATIONS</b>		
Surplus for the year	642 150	600 808
Adjustment:		
Interest received	(264 309)	(265 263)
(Decrease) in deferred income	(755 932)	(2 509 245)
(Decrease)/increase in provision for leavepay	(114 188)	166 881
<b>Operating (deficit) before working capital changes</b>	<b>(492 279)</b>	<b>(2 006 819)</b>
<b>Changes in working capital</b>	<b>(321 653)</b>	<b>(112 128)</b>
(Increase)/decrease in accounts receivable	(767 997)	271
Increase/(decrease) in accounts payable	446 344	(112 399)
<b>Cash (utilised in) operations</b>	<b>(813 932)</b>	<b>(2 118 947)</b>

**16. RELATED PARTIES**

Director's emoluments

**refer notes 11/12**

**17. GOING CONCERN**

The existence of the company is dependent on the continued support of its donors, by way of grants. Should the grants be withdrawn it is highly unlikely that the company will be able to continue as a going concern. Donors have agreed to continue supporting the company in 2017.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR  
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**18. FINANCIAL RISK**

**18.1 Currency risk**

The company is exposed to currency risk to the extent that some grants are received by the company in foreign currency. Management regularly reviews the relevant rates of exchange and amends budgets if necessary.

**18.2 Interest rate risk**

The company has minimal exposure to interest rate risk as surplus funds are invested in local interest - bearing accounts.

**18.3 Credit risk**

The company's credit risk is attributable to accounts receivable, accrued income and liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The company has no significant credit risk arising from its receivables or accrued income in the current year.

**18.4 Liquidity risk**

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained to cover anticipated expenditure.