

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

(NPO REGISTRATION NO. 102-843-NPO)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08
(NPO REGISTRATION NO. 102-843-NPO)

Annual Financial Statements for the year ended 31 December 2017

General Information

**Country of
incorporation and
domicile** South Africa

**Nature of business
and principal activities**

The company is a 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'.

Directors

The following directors held office for the year under review:-

Name

AL Brown	S Mbete - appointed 7 March 2017
A Hassim	T Leoka - appointed 12 September 2017
DH Lewis	Dr M Qobo - appointed 12 September 2017
M Msimang	
CME O'Regan	V Dubula - Majola - resigned 1 January 2017
V Pikoli	Archbishop WN Ndungane - resigned 13 December 2017
	ME Metcalfe - resigned 13 December 2017
	ZW Vavi - resigned 13 December 2017

Legal form Non Profit Company with members

Registration numbers Company registration K2011/118829/08
NPO registration 102-843-NPO

**Registered office and
business address**

87 De Korte Street
Johannesburg
2001

Website address corruptionwatch.org.za

Principal Bankers Standard Bank of South Africa Limited

Preparer The annual financial statements were internally prepared by L Ntambw.

Level of assurance These annual financial statements have been audited independently in compliance with the MOI and the Companies Act of South Africa.

INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

(NPO REGISTRATION NO. 102-843-NPO)

**REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2017**

Your board of directors presents its report, together with the audited financial statements of the company for the financial year ended 31 December 2017.

NATURE OF ACTIVITIES

The company is a 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 R59,960 (2016:R178,833).

DIRECTORS

The following directors served during the year under review :-

AL Brown	S Mbete	appointed 7 March 2017
A Hassim	T Leoka	appointed 12 September 2017
DH Lewis	Dr M Qobo	appointed 12 September 2017
M Msimang		
CME O'Regan	V Dubula - Majola	resigned 1 January 2017
	Archbishop WN Ndungane	resigned 13 December 2017
V Pikoli	ME Metcalfe	resigned 13 December 2017
	ZW Vavi	resigned 13 December 2017

The charges to the Board members have been accepted at Board level, but are still in the process of being updated at the Companies and Intellectual Property Commission (CIPC).

OFFICER

DH Lewis

AUDITORS

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

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 2017

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.

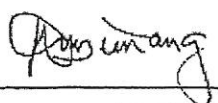
The directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control 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 31st December 2018 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 3 and 4.

The financial statements set out on pages 5 to 19, which have been prepared on the going concern basis, were approved by the board of directors on the 9th March 2018 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)

P O BOX 32707

BRAAMFONTEIN

2017

SOUTH AFRICA

TEL (011) 403 3835

FAX (011) 339 7762

Unqualified Opinion

We have audited the financial statements of Corruption Watch (RF) NPC set out on pages set out on pages 5 to 19, which comprise the statement of financial position as at 31 December 2017, 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 2017, 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.

Emphasis of Matter

Without qualifying our opinion above, we draw attention to the following matter :

1. As explained in note 1.11 to the financial statements, the management of the company allocates project related expenses against grant income on the basis of budgets and its assessment as to which project has incurred the expense concerned. We have relied on management's allocations of such costs, and the resultant accrual or deferral of grant income on the basis set out in note 1.11, for the purposes of our audit.

Other Information

The Board of Directors is responsible for the other information, which comprises the Report of the Directors, set out on page 2.

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.

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 have communicated with those charged with governance on all relationships and other matters, which may reasonably be thought to bear on our independence and, where applicable, related safeguards.



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

Johannesburg
9 March 2018

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

(NPO REGISTRATION NO. 102-843-NPO)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 R	2016 R
ASSETS		4 337 471	5 639 439
Non current assets		689 636	266 573
Equipment	3	191 235	266 573
Investments	4	498 401	-
Current assets		3 647 835	5 372 866
Accounts receivable	5	405 109	1 245 490
Investments	4	2 052 944	-
Cash and cash equivalents	6	1 189 782	4 127 376
Total assets		4 337 471	5 639 439
RESERVES AND LIABILITIES		4 337 471	5 639 439
Reserves		2 908 846	2 304 103
Accumulated surplus		166 266	597 513
Equipment fund		191 235	266 573
Sustainability fund		2 551 345	1 440 017
Current liabilities		1 428 625	3 335 336
Accounts payable	7	292 214	549 889
Deferred income	8	1 084 101	2 411 046
Provision for leave pay	9	52 310	374 401
Total reserves and liabilities		4 337 471	5 639 439

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 R	2016 R Restated*
INCOME		18 568 983	23 642 727
Grants and donations	10	18 355 441	23 364 738
Interest received	11	199 825	264 309
Profit on refund from insurance		11 745	-
Sundry income		1 972	13 680
EXPENDITURE		18 015 585	23 119 512
Assets expensed directly		-	7 105
Audit fees		51 958	38 685
Bank charges		37 513	27 075
Communication costs		74 333	109 952
Consulting fees		128 809	88 715
Depreciation	3	135 298	118 935
Director's emoluments	12	298 574	277 007
Donations		-	7 500
Equipment lease and maintenance		-	8 675
Fundraising costs		314 849	50 000
Insurance		57 865	28 329
Interest and penalties		8 970	-
Office supplies		91 753	55 698
Printing and stationery		7 204	11 762
Programme costs	12/13	14 687 621	19 884 764
Provision for irrecoverable VAT		(162 910)	-
Rent, parking, water and electricity		163 109	166 035
Repairs and maintenance		10 043	1 478
Salaries, wages and contributions		1 947 303	1 989 330
Staff training and welfare		63 081	450
Travel and accommodation		100 212	248 017
SURPLUS FOR THE YEAR		553 398	523 215
OTHER COMPREHENSIVE INCOME		51 345	-
Interest and dividends received on investment		52 944	-
Fair value adjustment on investment		(1 599)	-
TOTAL COMPREHENSIVE INCOME		604 743	523 215

* Refer to note 17

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STATEMENT OF CHANGES IN RESERVES FOR
THE YEAR ENDED 31 DECEMBER 2017

	Accumulated Surplus R	Equipment Fund R	Sustainability Fund R	Total R
Balance at 31 December 2015	414 777	222 624	1 135 946	1 773 347
Surplus for the year (Restated - refer to note 17)	523 215	-	-	523 215
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 (Restated - refer to note 17)	118 935	(118 935)	-	-
Transfer (to) sustainability fund	(304 071)	-	304 071	-
Balance at 31 December 2016	597 513	266 573	1 440 017	2 304 103
Total comprehensive income	553 398	-	51 345	604 743
Surplus for the year	553 398	-	-	553 398
Interest and dividends received on investment	-	-	52 944	52 944
Fair value adjustment on investment	-	-	(1 599)	(1 599)
Transfer (to) equipment fund	(59 960)	59 960	-	-
Acquisition during the year	(59 960)	59 960	-	-
Depreciation during the year	135 298	(135 298)	-	-
Transfer (to) sustainability fund	(1 059 983)	-	1 059 983	-
Balance at 31 December 2017	166 266	191 235	2 551 345	2 908 846

CORRUPTION WATCH (RF) NPC
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STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2017

	Note	2017 R	2016 R
Cash flows from operating activities			
Cash receipts from funders and donors		17 030 468	22 622 486
Cash paid to programmes, suppliers and employees		(17 619 672)	(23 436 418)
Cash (utilised in) operations	16	(589 204)	(813 932)
Interest received	11	199 825	264 309
Net cash (outflow) from operating activities		(389 379)	(549 623)
Cash flows (utilised in) investing activities		(2 548 215)	(155 343)
Acquisition of equipment, at cost	3	(59 960)	(178 833)
Funds invested during the year	4	(2 500 000)	-
Proceeds from insurance due to theft		11 745	23 490
Net (decrease) in cash and cash equivalents		(2 937 594)	(704 966)
Cash and cash equivalents at beginning of year		4 127 376	4 832 342
Cash and cash equivalents at end of year	6	1 189 782	4 127 376

(NPO REGISTRATION NO. 102-843-NPO)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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:

Item	Useful life
Computer equipment	3 years
Office equipment	3 years
Office furniture	4 years

The depreciation charge for each period is recognised through profit or loss, 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 2017 (Continued)**

ACCOUNTING POLICIES (Continued)

1.2 EQUIPMENT (Continued)

The gain or loss arising from the derecognising of an item of equipment is included in profit or loss 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.

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 :-

Investments

Investments in financial assets are initially recognised at cost. Subsequently, financial assets are re-measured at fair value through profit and loss.

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.

(NPO REGISTRATION NO. 102-843-NPO)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

ACCOUNTING POLICIES (Continued)

1.5 EQUIPMENT FUND

An equipment fund is maintained to separate from accumulated funds the funding of non-current assets, which are not available for the short term funding of operations.

The fund is maintained at a value equal to the carrying value of equipment in the statement of financial position. Depreciation and profits or losses on disposal are charged against operating income each year and adjusted 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

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.

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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

ACCOUNTING POLICIES (Continued)

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 medical aid contributions), 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.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The company's activities could expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the trustees, who evaluate financial risks.

(a) Market risk

The company is exposed to currency risk to the extent that some grants are denominated in foreign currency. The company however does not operate internationally and therefore its exposure to any foreign exchange risk is limited. Management regularly reviews the relevant rates of exchange and amends budgets if necessary.

(b) 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.

(c) Liquidity risk

Using cash flow forecasting, management maintains adequate levels of cash to fund ongoing obligations.

(d) Cash flow and fair value interest rate risk

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

(NPO REGISTRATION NO. 102-843-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

3. EQUIPMENT

	Computer equipment R	Office equipment R	Office furniture R	Total R
31 December 2017				
Net book value - 1 January 2017				
At cost	215 926	27 697	22 950	266 573
Accumulated depreciation	1 323 580	44 874	168 225	1 536 679
Additions during the year	(1 107 654)	(17 177)	(145 275)	(1 270 106)
Depreciation for the year	35 900	-	24 060	59 960
Asset stolen during the year	(118 032)	-	(17 266)	(135 298)
At cost	-	-	-	-
Accumulated depreciation	(13 300)	-	-	(13 300)
Net book value - 31 December 2017	133 794	27 697	29 744	191 235
At cost	1 346 180	44 874	192 285	1 583 339
Accumulated depreciation	(1 212 386)	(17 177)	(162 541)	(1 392 104)
31 December 2016				
Net book value - 1 January 2016				
At cost	155 505	27 697	39 422	222 624
Accumulated depreciation	1 170 846	44 874	168 225	1 383 945
Additions during the year	(1 015 341)	(17 177)	(128 803)	(1 161 321)
Depreciation for the year	178 833	-	-	178 833
Disposal of assets	(102 463)	-	(16 472)	(118 935)
At cost	(15 949)	-	-	(15 949)
Accumulated depreciation	(26 099)	-	-	(26 099)
Net book value - 31 December 2016	10 150	-	-	10 150
At cost	215 926	27 697	22 950	266 573
Accumulated depreciation	1 323 580	44 874	168 225	1 536 679
Disposal of assets	(1 107 654)	(17 177)	(145 275)	(1 270 106)

(NPO REGISTRATION NO. 102-843-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 R	2016 R
4. INVESTMENTS		
STANLIB Unit trusts		
Funds invested during the year	2 000 000	-
Interest and dividends received and reinvested	52 944	-
Management fees	-	-
Balance at end of year	2 052 944	-
Standard Bank - Quantum Plus SA Investment		
Funds invested during the year	500 000	-
Fair value adjustment	(1 599)	-
Balance at end of year	498 401	-
Total investments	2 551 345	-
5. ACCOUNTS RECEIVABLE		
Lease and telephone deposits	1 400	2 060
Prepaid expenses	32 721	109 688
VAT receivable	481 783	1 407 447
Less : provision for irrecoverable VAT	(110 795)	(273 705)
	405 109	1 245 490
6. CASH AND CASH EQUIVALENTS		
Current account	185 106	1 591 485
Marketlink accounts	469 192	1 134 468
Money market account	532 757	1 399 332
Petty cash	2 727	2 091
	1 189 782	4 127 376
7. ACCOUNTS PAYABLE		
Accruals	118 837	170 691
Sundry creditors	173 377	379 198
	292 214	549 889
8. DEFERRED INCOME		
Claude Leon Foundation	-	80 000
GiZ	72 502	-
Heinrich Boell Stiftung	-	5 499
The Joffe Charitable Trust	49 262	-
Oppenheimer Memorial Trust	61 258	495 525
Open Society Foundation for South Africa	648 905	658 601
Raith Foundation	27 900	559 965
Social Justice Initiative	-	43 406
Transparency International	224 274	568 050
	1 084 101	2 411 046

CORRUPTION WATCH (RF) NPC
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 R	2016 R
9. PROVISION FOR LEAVE PAY		
Balance at beginning of the year	374 401	488 589
Additions during the year	513 097	494 649
(Utilised) during the year	(835 188)	(608 837)
	52 310	374 401
10. GRANTS AND DONATIONS		
The Bertha Foundation	-	250 000
Received	-	250 000
Claude Leon Foundation	1 250 000	1 250 000
Received	1 250 000	1 250 000
Claude Leon Foundation - special project	80 000	70 000
Received	-	150 000
Deferred to 2017	80 000	(80 000)
The Ford Foundation	2 013 552	1 821 178
Received	2 013 552	1 362 788
Deferred to 2016	-	458 390
Freedom House	359 874	183 115
Received	359 874	183 115
GiZ	27 498	-
Received	100 000	-
Deferred to 2018	(72 502)	-
Heinrich Boell Stiftung	315 001	394 501
Received	309 502	400 000
Deferred to 2017	5 499	(5 499)
Hivos	94 167	1 687 673
Received	94 167	1 687 673
The Joffe Charitable Trust	483 571	390 201
Received	532 833	333 333
Deferred to 2016	-	56 868
Deferred to 2018	(49 262)	-
The Mary Slack & Daughters Foundation	750 000	750 000
Received	750 000	750 000
Millennium Trust	2 645 000	2 600 000
Received	2 645 000	2 600 000
Naspers Limited	700 000	-
Oppenheimer Memorial Trust	1 109 267	574 209
Received	675 000	675 000
Deferred to 2016	-	394 734
Deferred to 2017	495 525	(495 525)
Deferred to 2018	(61 258)	-
Balance carried forward	9 827 930	9 970 877

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 R	2016 R
10. GRANTS AND DONATIONS (Continued)		
Balance brought forward	9 827 930	9 970 877
Open Society Foundation for South Africa	2 004 696	1 712 502
Received	1 995 000	1 250 000
Deferred to 2016	-	1 121 103
Deferred to 2017	658 601	(658 601)
Deferred to 2018	(648 905)	-
Raith Foundation	2 032 065	1 654 741
Received	1 500 000	1 500 000
Deferred to 2016	-	978 809
Deferred to 2017	559 965	(559 965)
Deferred to 2018	(27 900)	-
Refunded to donor	-	(264 103)
Second Stella and Paul Loewenstein Charitable and Educational Trust	-	72 725
Deferred to 2016	-	72 725
Sigrid Rausing Trust	1 643 602	2 131 140
Received	1 643 602	2 131 140
Social Justice Initiative	43 406	6 456 594
Received	-	6 500 000
Deferred to 2017	43 406	(43 406)
The Secretary for State for Foreign and Commonwealth Affairs	-	54 154
Transparency International	1 100 283	1 084 828
Received	756 507	1 568 529
Deferred to 2016	-	84 349
Deferred to 2017	568 050	(568 050)
Deferred to 2018	(224 274)	-
Yellowwoods Social Investments	600 000	-
Others	1 103 459	227 177
	18 355 441	23 364 738
Total summary		
Received	17 028 496	22 872 909
Deferred to 2016	-	3 166 978
Refunded to donor	-	(264 103)
Deferred to 2017	2 411 046	(2 411 046)
Deferred to 2018	(1 084 101)	-
	18 355 441	23 364 738

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 R	2016 R
11. NET INTEREST RECEIVED		
Interest earned - marketlink account	<u>199 825</u>	<u>264 309</u>

12. DIRECTOR'S EMOLUMENTS

Executive director - DH Lewis	<u>1 406 602</u>	<u>1 385 035</u>
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The portion of the director's emoluments related to programme costs of R1,108,028 (2016 : R1,108,028) has been allocated to the relevant programme costs reflected in note 13.

13. PROGRAMME COSTS

Campaigns	1 504 192	6 749 971
Communication	5 228 107	5 298 141
Legal policy and investigation	3 744 727	2 916 502
Research	549 281	1 524 184
Stakeholder management	<u>3 661 314</u>	<u>3 395 966</u>
	<u>14 687 621</u>	<u>19 884 764</u>

14. COMMITMENTS

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

Payable within one year	129 561	481 786
Payable thereafter	<u>-</u>	<u>160 595</u>
	<u>129 561</u>	<u>642 381</u>

15. 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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 R	2016 R
16. CASH (UTILISED IN) OPERATIONS		
Surplus for the year	553 398	523 215
Adjustment:		
Interest received	(199 825)	(264 309)
Profit on refund from insurance	(11 745)	-
Depreciation	135 298	118 935
(Decrease) in deferred income	(1 326 945)	(755 932)
(Decrease) in provision for leavepay	(322 091)	(114 188)
Operating (deficit) before working capital changes	(1 171 910)	(492 279)
Changes in working capital	582 706	(321 653)
Decrease/(increase) in accounts receivable	840 381	(767 997)
(Decrease)/increase in accounts payable	(257 675)	446 344
Cash (utilised in) operations	(589 204)	(813 932)
17. PRIOR YEAR ADJUSTMENT		
Depreciation is now included in the statement of comprehensive income.		
Effect on statement of comprehensive income:		
Increase in depreciation expense	-	118 935
(Decrease) in surplus for the year	-	(118 935)

18. RELATED PARTIES

Director's emoluments

refer notes 12/13

19. 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 2018.