

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

(NPO REGISTRATION NO. 102-843-NPO)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**

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

Annual Financial Statements for the year ended 31 December 2020

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:-

M Msimang (Chairperson)	SN Mbete
DH Lewis (Executive Director)	Dr MJ Qobo
AL Brown	
F Cachalia	A Hassim - resigned 27 March 2020
T Leoka	G McLaren-Ushewokunze - appointed 24 June 2020

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.

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FOR THE YEAR ENDED 31 DECEMBER 2020

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

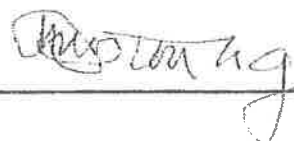
The directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control 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 2021 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 to 3.

The financial statements set out on pages 4 to 20, which have been prepared on the going concern basis, were approved by the board of directors on the 17th March 2021 and were signed on its behalf by:


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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS

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 20, which comprise the statement of financial position as at 31 December 2020, 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 2020, 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 4.

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

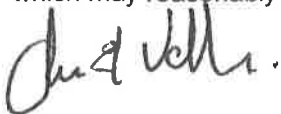
Management is responsible for the preparation and fair presentation of the financial statements in accordance with their accounting policies, the International Financial Reporting Standards for Small and Medium - sized Entities and the requirements of the Companies Act of South Africa, and for such internal 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 RA
Douglas & Velcich
Chartered Accountants (S.A.)**

**Johannesburg
29 March 2021**

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

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**REPORT OF THE DIRECTORS FOR THE
YEAR ENDED 31 DECEMBER 2020**

Your board of directors presents its report, together with the audited financial statements of the company for the financial year ended 31 December 2020.

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 R191,626 (2019:R177,832).

DIRECTORS

The following directors served during the year under review :-

M Msimang (Chairperson)	SN Mbete
AL Brown	Dr MJ Qobo
F Cachalia	
T Leoka	A Hassim - resigned 27 March 2020
	G McLaren-Ushewokunze - appointed 24 June 2020
DH Lewis (Executive Director)	

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)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 R	2019 R
ASSETS		16 387 320	13 908 671
Non current assets		675 502	559 281
Equipment	3	271 710	200 473
Investments	4	403 792	358 809
Current assets		15 711 818	13 349 390
Accounts receivable	5	550 045	368 259
Accrued income	6	149 220	273 813
Investments	4	7 902 202	7 708 737
Cash and cash equivalents	7	7 110 351	4 998 581
Total assets		16 387 320	13 908 671
RESERVES AND LIABILITIES		16 387 320	13 908 671
Reserves		2 171 551	1 160 115
Accumulated surplus		426 720	-
Equipment fund		271 710	200 472
Sustainability fund		1 473 121	959 643
Current liabilities		14 215 769	12 748 556
Accounts payable	8	457 779	398 258
Deferred income	9	13 531 884	12 013 605
Provision for leave pay	10	226 106	336 694
Total reserves and liabilities		16 387 320	13 908 671

CORRUPTION WATCH (RF) NPC
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 R	2019 R
INCOME		23 015 988	18 164 571
Grants and donations	11	22 385 589	17 887 826
Contract income		337 000	-
Interest received	12	288 182	261 341
Sundry income		5 217	15 404
EXPENDITURE		22 243 000	18 588 847
Assets expensed directly		35 207	28 956
Audit fees		59 160	53 990
Bank charges		58 258	69 278
Communication costs		85 192	124 108
Consulting fees		72 600	226 026
Depreciation	3	120 387	127 761
Director's emoluments	13	317 283	278 635
Donations		185 250	-
Fundraising costs		199 840	312 707
Insurance		122 611	105 348
Interest and penalties		20 997	-
Office supplies		91 120	112 933
Printing and stationery		13 226	14 968
Programme costs	13/14	17 429 456	13 747 300
Provision for irrecoverable VAT		-	-
Rent, parking, water and electricity		287 028	455 355
Repairs and maintenance		4 240	(1 621)
Salaries, wages and contributions		2 852 616	2 798 556
Secretarial fees		2 500	2 500
Staff training and welfare		228 526	89 751
Travel and accommodation		57 503	42 295
SURPLUS/(DEFICIT) FOR THE YEAR		772 987	(424 276)
OTHER COMPREHENSIVE INCOME		238 448	691 751
Interest and dividends received on investment		341 666	423 074
Fair value adjustment on investment		(103 218)	268 676
TOTAL COMPREHENSIVE INCOME		1 011 436	267 475

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STATEMENT OF CHANGES IN RESERVES FOR
THE YEAR ENDED 31 DECEMBER 2020

	Accumulated Surplus R	Equipment Fund R	Sustainability Fund R	Total R
Balance at 31 December 2018	184 364	173 136	542 922	900 422
Total comprehensive (loss)/income	(424 276)	-	691 751	267 475
(Deficit) for the year	(424 276)	-	-	(424 276)
Interest and dividends received on investment	-	-	423 074	423 074
Fair value adjustment on investment	-	-	268 676	268 676
(Loss) on disposal of assets	-	(7 782)	-	(7 782)
Transfer (to) equipment fund	(162 879)	162 879	-	-
Acquisition during the year	(177 832)	177 832	-	-
Proceeds from disposal of assets	14 954	(14 954)	-	-
Depreciation during the year	127 761	(127 761)	-	-
Transfer from sustainability fund	275 029	-	(275 029)	-
Balance at 31 December 2019	-	200 472	959 643	1 160 115
Total comprehensive income	772 987	-	238 448	1 011 436
Surplus for the year	772 987	-	-	772 987
Interest and dividends received on investment	-	-	341 666	341 666
Fair value adjustment on investment	-	-	(103 218)	(103 218)
Transfer (to) equipment fund	(191 626)	191 626	-	-
Acquisition during the year	(191 626)	191 626	-	-
Depreciation during the year	120 387	(120 387)	-	-
Transfer (to) sustainability fund	(275 029)	-	275 029	-
Balance at 31 December 2020	426 720	271 710	1 473 121	2 171 551

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STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2020

	Note	2020 R	2019 R
Cash flows from operating activities			
Cash receipts from funders and donors		24 370 678	27 442 355
Cash paid to programmes, suppliers and employees		(22 355 465)	(18 045 890)
Cash generated from operations	17	2 015 213	9 396 465
Interest received	12	629 848	684 415
Net cash inflow from operating activities		2 645 061	10 080 881
Cash flows (utilised in) investing activities		(533 292)	(7 415 573)
Acquisition of equipment, at cost	3	(191 626)	(177 832)
Funds invested during the year	4	-	(7 000 000)
Interest reinvested	4	(341 666)	(423 075)
Funds withdrawn from investments	4	-	170 381
Proceeds from insurance due to theft		-	14 954
Net increase in cash and cash equivalents		2 111 769	2 665 308
Cash and cash equivalents at beginning of year		4 998 582	2 333 274
Cash and cash equivalents at end of year	7	7 110 351	4 998 582

(NPO REGISTRATION NO. 102-843-NPO)

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (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.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (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 2020 (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 2020 (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.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

3. EQUIPMENT

	Computer equipment R	Office equipment R	Office furniture R	Total R
31 December 2020				
Net book value - 1 January 2020				
At cost	173 618	-	26 854	200 471
Accumulated depreciation	1 572 128	44 874	212 746	1 829 749
Additions during the year	(1 398 510)	(44 874)	(185 893)	(1 629 277)
Depreciation for the year	191 037	589	-	191 626
Assets scrapped during the year	(109 257)	-	(11 130)	(120 387)
At cost	-	-	-	-
Accumulated depreciation	(101 505)	-	-	(101 505)
Net book value - 31 December 2020	101 505	-	-	101 505
At cost	255 398	589	15 724	271 710
Accumulated depreciation	1 661 660	45 463	212 746	1 919 869
	(1 406 262)	(44 874)	(197 023)	(1 648 159)
31 December 2019				
Net book value - 1 January 2019				
At cost	157 661	-	15 475	173 136
Accumulated depreciation	1 448 657	44 874	192 285	1 685 816
Additions during the year	(1 290 996)	(44 874)	(176 810)	(1 512 680)
Depreciation for the year	157 371	-	20 461	177 832
Asset disposals during the year	(118 679)	-	(9 083)	(127 761)
At cost	(22 735)	-	-	(22 735)
Accumulated depreciation	(33 900)	-	-	(33 900)
Net book value - 31 December 2019	11 165	-	-	11 165
At cost	173 618	-	26 854	200 471
Accumulated depreciation	1 572 128	44 874	212 746	1 829 749
	(1 398 510)	(44 874)	(185 893)	(1 629 277)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

	2020 R	2019 R
4. INVESTMENTS		
STANLIB Unit trusts		
Balance at beginning of the year	7 708 737	55 149
Funds invested during the year	-	7 000 000
Interest and dividends received and reinvested	341 666	398 944
Fair value adjustment	(148 201)	254 644
Balance at end of year	7 902 202	7 708 737
Standard Bank - Quantum Plus SA Investment		
Balance at beginning of the year	358 809	491 026
Funds withdrawn during the year	-	(170 381)
Interest received and reinvested	-	24 131
Fair value adjustment	44 983	14 032
Balance at end of year	403 792	358 809
Total investments	8 305 994	8 067 545
5. ACCOUNTS RECEIVABLE		
Lease and telephone deposits	107 870	104 720
Prepaid expenses	29 789	-
Sundry receivables	-	90 434
VAT receivable	412 386	173 105
	550 045	368 259
6. ACCRUED INCOME		
GiZ	105 693	
Sigrid Rausing Trust	43 527	45 346
Transparency International	-	228 467
	149 220	273 813
7. CASH AND CASH EQUIVALENTS		
Current account	2 068 384	279 191
Marketlink accounts	4 053 673	2 404 998
Money market account	986 754	2 314 241
Petty cash	1 540	151
	7 110 351	4 998 581
8. ACCOUNTS PAYABLE		
Accruals	-	-
Sundry creditors	457 779	398 258
	457 779	398 258

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

(NPO REGISTRATION NO. 102-843-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

	2020 R	2019 R
9. DEFERRED INCOME		
Grants and donations		
ABSA Bank	678 000	-
Anglo American Group Foundation	64 128	380 999
Anglo Gold Ashanti Chairman's Fund	312 576	396 954
Anonymous funder	526 448	3 143 378
The Ball Family Foundation	250 000	-
Claude Leon Foundation	156 321	13 865
The Crimeline Foundation	1 549 712	-
The David and Elaine Potter Foundation	-	419 331
The ELMA Foundation	2 182 178	1 292 877
The Ford Foundation	-	2 805 237
GiZ	-	33 134
Kirsh Foundation	419 896	-
The Mary Oppenheimer & Daughters Foundation	594 772	3 362
Millennium Trust	1 336 382	-
Open Society Foundation for South Africa	322 062	-
Oppenheimer Memorial Trust	1 437 653	750 000
Raith Foundation	702 666	426 693
Standard Bank of South Africa	500 000	-
Tides Foundation	1 499 738	1 341 992
Transparency International e.V (Secretariat)	22 814	-
Transparency International UK	323 558	1 005 784
Yellowwoods Social Investments	500 000	-
	13 378 904	12 013 605
Contract income		
Funds for City of New York	152 979	-
	13 531 884	12 013 605
10. PROVISION FOR LEAVE PAY		
Balance at beginning of the year	336 694	88 271
Additions during the year	695 827	614 644
(Utilised) during the year	(806 415)	(366 221)
	226 106	336 694.25
11. GRANTS AND DONATIONS		
ABSA Bank	-	-
Received	678 000	-
Deferred to 2021	(678 000)	-
Anglo Gold Ashanti Chairman's Fund	1 233 821	475 963
Received	916 950	856 962
Deferred to 2020	380 999	(380 999)
Deferred to 2021	(64 128)	-
Balance carried forward	1 233 821	475 963

(NPO REGISTRATION NO. 102-843-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

	2020 R	2019 R
11. GRANTS AND DONATIONS (Continued)		
Balance brought forward	1 233 821	475 963
Anglo Gold Ashanti Chairman's Fund	84 378	297 779
Received	-	450 000
Deferred to 2019	-	244 733
Deferred to 2020	396 954	(396 954)
Deferred to 2021	(312 576)	-
Anonymous funder	2 616 930	1 856 622
Received	-	5 000 000
Deferred to 2020	3 143 378	(3 143 378)
Deferred to 2021	(526 448)	-
The Ball Family Foundation	-	-
Received	250 000	-
Deferred to 2021	(250 000)	-
Claude Leon Foundation	1 107 543	1 388 432
Received	1 250 000	1 250 000
Deferred to 2019	-	152 296
Deferred to 2020	13 865	(13 865)
Deferred to 2021	(156 321)	-
The Crimeline Foundation	721 645	-
Received	2 271 357	-
Deferred to 2021	(1 549 712)	-
The David and Elaine Potter Foundation	419 331	255 669
Received	-	675 000
Deferred to 2020	419 331	(419 331)
The ELMA Foundation	1 110 699	707 123
Received	2 000 000	2 000 000
Deferred to 2020	1 292 877	(1 292 877)
Deferred to 2021	(2 182 178)	-
The Ford Foundation	2 805 237	1 397 738
Received	-	4 202 975
Deferred to 2020	2 805 237	(2 805 237)
GiZ	262 940	254 099
Received	124 113	287 233
Deferred to 2020	33 134	(33 134)
Accrued in 2020	105 693	-
Hanns Seidel Foundation	-	105 000
Received	-	105 000
Kirsh Foundation	80 104	-
Received	500 000	-
Deferred to 2021	(419 896)	-
The Mary Oppenheimer & Daughters Foundation	158 590	746 638
Received	750 000	750 000
Deferred to 2020	3 362	(3 362)
Deferred to 2021	(594 772)	-
Millennium Trust	1 163 618	-
Received	2 500 000	-
Deferred to 2021	(1 336 382)	-
Balance carried forward	11 764 836	7 485 064

(NPO REGISTRATION NO. 102-843-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

11. GRANTS AND DONATIONS (Continued)

	2020 R	2019 R
Balance brought forward	11 764 836	7 485 064
Oppenheimer Memorial Trust	62 347	486 931
Received	750 000	750 000
Deferred to 2019	-	486 931
Deferred to 2020	750 000	(750 000)
Deferred to 2021	(1 437 653)	-
Open Society Foundation for South Africa	1 177 938	1 164 205
Received	1 500 000	-
Deferred to 2019	-	1 164 205
Deferred to 2021	(322 062)	-
Overseas Development Institute	138 094	-
Received	138 094	-
Raith Foundation	1 102 152	1 038 307
Received	1 378 125	1 312 500
Deferred to 2019	-	152 500
Deferred to 2020	426 693	(426 693)
Deferred to 2021	(702 666)	-
Sigrid Rausing Trust	3 446 875	2 800 276
Received	3 448 695	2 754 930
Accrued in 2019	(45 346)	45 346
Accrued in 2020	43 527	-
Social Justice Initiative	-	1 000 000
Received	-	1 000 000
Standard Bank of South Africa	-	500 000
Received	500 000	500 000
Deferred to 2021	(500 000)	-
Tides Foundation	1 451 159	1 072 489
Received	1 608 906	2 414 481
Deferred to 2020	1 341 992	(1 341 992)
Deferred to 2021	(1 499 738)	-
Transparency International e.V (Secretariat)	306 347	464 701
Received	557 628	236 234
Accrued in 2019	(228 467)	228 467
Deferred to 2021	(22 814)	-
Transparency International UK	2 632 232	584 422
Received	1 950 006	1 590 205
Deferred to 2020	1 005 784	(1 005 784)
Deferred to 2021	(323 558)	-
Yellowwoods Social Investments	-	500 000
Received	500 000	500 000
Deferred to 2021	(500 000)	-
Others	303 609	791 432
	22 385 589	17 887 826
Total summary		
Received	23 875 482	27 426 952
Accrued in 2020	(273 813)	273 813
Accrued in 2021	149 220	-
Deferred to 2019	-	2 200 666
Deferred to 2020	12 013 605	(12 013 605)
Deferred to 2021	(13 378 904)	-
	22 385 589	17 887 826

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

	2020 R	2019 R
12. NET INTEREST RECEIVED		
Interest earned - savings accounts	4 703	10 193
Interest earned - call deposit accounts	283 479	251 147
Statement of comprehensive income	288 182	261 340
Interest earned - Stanlib unit trusts	341 666	398 944
Interest earned - Standard Bank investments	-	24 131
Statement of changes in reserves	341 666	423 075
Total interest earned	629 848	684 415

13. DIRECTOR'S EMOLUMENTS

Executive director - DH Lewis	1 569 252	1 393 175
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The portion of the director's emoluments related to programme costs of R1,269,135 (2019 : R1,114,540) has been allocated to the relevant programme costs reflected in note 14.

14. PROGRAMME COSTS

Campaigns	2 597 896	1 546 101
Communication	7 877 681	4 977 686
Legal policy and investigation	3 348 439	3 285 101
Research	770 543	559 051
Stakeholder management	2 834 898	3 379 361
	17 429 456	13 747 300

15. COMMITMENTS

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

Payable within one year	275 960	827 878
Payable thereafter	-	275 960
	275 960	1 103 838

16. 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2020 (Continued)

	2020 R	2019 R
17. CASH GENERATED FROM OPERATIONS		
Surplus/(deficit) for the year	772 987	(424 276)
Adjustment:		
Interest received	(288 182)	(261 341)
Depreciation	120 387	127 761
Decrease/(increase) in accrued income	124 593	(273 813)
Increase in deferred income	1 518 279	9 812 939
(Decrease)/increase in provision for leavepay	(110 588)	248 423
Operating surplus before working capital changes	2 137 477	9 229 693
Changes in working capital	(122 264)	166 772
(Increase) in accounts receivable	(181 786)	(52 709)
Increase in accounts payable	59 521	219 482
Cash generated from operations	2 015 213	9 396 465

18. RELATED PARTIES

Director's emoluments

refer notes 13/14

19. CONTINGENT LIABILITY

An action for defamation has been instituted against Corruption Watch by Ms B. Magoda relating to an allegedly defamatory letter that was published on Corruption Watch's website. Corruption Watch wrote to the Minister of Agriculture, Land Reform and Rural Development enquiring about corruption within his Department and mentioned Ms Magoda in the letter. Ms Magoda has claimed R500 000 plus interest in her summons against Corruption Watch. Corruption Watch pleads that the statements concerning Ms Magoda in the letter were not defamatory to her and alternatively, were true and published in the public interest.

In the alternative, Corruption Watch contends that the statements concerned matters of public interest; the steps taken prior to publication were fair and reasonable in the circumstances; the information contained in the statements was based on reliable information from reliable sources; the statements were published in the bona fide and reasonable belief that they were true; and the tone of the statements was measured and responsible. The pleadings in the matter have closed.

Dario has indicated that if we are unsuccessful, he estimates the amount of award to the plaintiff being between R50 – R150k, and of course taxed legal costs of the other side.

20. 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 2021.