

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

(NPO REGISTRATION NO. 102-843-NPO)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

Annual Financial Statements for the year ended 31 December 2022

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:-

Dr. MJ Qobo (Acting Chairperson)

Prof. F Cachalia

G McLaren-Ushewokunze

T Maseko

- appointed 8 June 2022

M Giddy

- appointed 25 July 2022

AL Brown

- resigned 29 March 2022

T Leoka

- resigned 20 July 2022

KJ Singh (Executive Director)

- appointed 1 January 2022

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
Braamfontein
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, the Companies Act of South Africa and the International Standards on Auditing (ISA).

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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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 2022

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 2023 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 22, which have been prepared on the going concern basis, were approved by the board of directors on the 31st March 2023 and were signed on its behalf by:





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BRAAMFONTEIN
2017
SOUTH AFRICA

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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)

Unqualified Opinion

We have audited the financial statements of Corruption Watch (RF) NPC set out on pages set out on pages 5 to 22, which comprise the statement of financial position as at 31 December 2022, 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 2022, 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.

D C DOUGLAS CA (SA)

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 (IRBA 605581)
Douglas & Velcich
Chartered Accountants (S.A.)
Johannesburg
31 March 2023

**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 2022**

Your board of directors presents its report, together with the audited financial statements of the company for the financial year ended 31 December 2022.

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 financial results of the company 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 R198,342 (2021:R74,019).

DIRECTORS

The following directors served during the year under review :-

Dr MJ Qobo (Acting Chairperson)

Prof F Cachalia

G McLaren-Ushewokunze

T Maseko

M Giddy

AL Brown

T Leoka

- appointed 8 June 2022

- appointed 25 July 2022

- resigned 29 March 2022

- resigned 20 July 2022

KJ Singh (Executive Director)

- appointed 1 January 2022

AUDITORS

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

CORRUPTION WATCH (RF) NPC
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	2022 R	2021 R
ASSETS		14 713 815	17 432 673
Non current assets		229 441	354 027
Equipment	3	229 441	195 897
Investments	4	-	158 130
Current assets		14 484 374	17 078 646
Accounts receivable	5	1 190 670	630 094
Accrued income	6	1 917 083	-
Investments	4	9 143 657	8 526 519
Cash and cash equivalents	7	2 232 963	7 922 034
Total assets		14 713 815	17 432 673
RESERVES AND LIABILITIES		14 713 815	17 432 673
Reserves		4 544 103	3 420 111
Accumulated surplus		1 303 878	672 438
Equipment fund		229 441	195 897
Sustainability fund		3 010 784	2 551 776
Current liabilities		10 169 712	14 012 563
Accounts payable	8	685 656	164 315
Deferred income	9	9 248 383	13 661 975
Provision for leave pay	10	235 673	186 273
Total reserves and liabilities		14 713 815	17 432 673

CORRUPTION WATCH (RF) NPC
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 R	2021 R
INCOME		22 912 945	23 467 177
Grants and donations	11	22 382 416	22 814 037
Contract income		172 901	397 949
Interest received	12	260 107	254 043
Sundry income		97 521	1 148
EXPENDITURE		22 247 960	22 597 273
Assets expensed directly		-	13 222
Audit fees		65 505	64 330
Bank charges		64 961	61 063
Communication costs		110 039	99 389
Computer expenses		106 985	2 511
Consulting fees		9 199	156 740
Depreciation	3	164 799	149 832
Director's emoluments	13	390 061	980 275
Donations		10 000	-
Fundraising costs		73 545	149 734
Insurance		23 912	28 676
Interest and penalties		48 966	-
Office supplies		122 048	92 065
Printing and stationery		9 858	2 233
Programme costs	13/14	16 444 905	17 454 688
Rent, parking, water and electricity		331 340	256 016
Repairs and maintenance		27 531	5 275
Salaries, wages and contributions		3 931 167	3 038 847
Staff training and welfare		125 921	9 750
Strategic expenses		42 702	31 014
Travel and accommodation		144 516	1 613
SURPLUS FOR THE YEAR		664 984	869 905
OTHER COMPREHENSIVE INCOME		459 009	378 655
Interest and dividends received on investment		427 294	418 062
Management fees on investment		(24 182)	(21 006)
Fair value adjustment on investment		55 897	(18 402)
COMPREHENSIVE INCOME		1 123 993	1 248 560

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STATEMENT OF CHANGES IN RESERVES FOR
THE YEAR ENDED 31 DECEMBER 2022

	Accumulated Surplus R	Equipment Fund R	Sustainability Fund R	Total R
Balance at 31 December 2020	426 720	271 710	1 473 121	2 171 551
Comprehensive income for 2021	869 905	-	378 655	1 248 560
Surplus for the year	869 905	-	-	869 905
Interest and dividends received on investment	-	-	418 062	418 062
Management fees on investment	-	-	(21 006)	(21 006)
Fair value adjustment on investment	-	-	(18 402)	(18 402)
Transfer (to) equipment fund	(74 019)	74 019	-	-
Acquisitions during the year	(74 019)	74 019	-	-
Depreciation during the year	149 832	(149 832)	-	-
Transfer (to) sustainability fund	(700 000)	-	700 000	-
Balance at 31 December 2021	672 438	195 897	2 551 776	3 420 111
Comprehensive income for 2022	664 984	-	459 009	1 123 993
Surplus for the year	664 984	-	-	664 984
Interest and dividends received on investment	-	-	427 294	427 294
Management fees on investment	-	-	(24 182)	(24 182)
Fair value adjustment on investment	-	-	55 897	55 897
Transfer (to) equipment fund	(198 342)	198 342	-	-
Acquisition during the year	(198 342)	198 342	-	-
Depreciation during the year	164 799	(164 799)	-	-
Transfer (to) sustainability fund	-	-	-	-
Balance at 31 December 2022	1 303 878	229 441	3 010 784	4 544 103

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STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2022

	Note	2022 R	2021 R
Cash flows from operating activities			
Cash receipts from funders and donors		16 322 163	23 492 446
Cash paid to programmes, suppliers and employees		(22 072 997)	(22 860 787)
Cash (utilised in)/generated from operations	17	(5 750 834)	631 659
Interest received	12	687 401	672 105
Net cash (outflow)/inflow from operating activities		(5 063 433)	1 303 764
Cash flows (utilised in) investing activities		(625 637)	(492 081)
Acquisition of equipment, at cost	3	(198 342)	(74 019)
Interest reinvested	4	(427 294)	(418 062)
Net (decrease)/increase in cash and cash equivalents		(5 689 070)	811 683
Cash and cash equivalents at beginning of year		7 922 034	7 110 351
Cash and cash equivalents at end of year	7	2 232 963	7 922 034

CORRUPTION WATCH (RF) NPC
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(NPO REGISTRATION NO. 102-843-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 (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 2022 (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 2022 (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 2022 (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 directors, 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 2022 (Continued)

3. EQUIPMENT

	Computer equipment R	Office equipment R	Office furniture R	Total R
31 December 2022				
Net book value - 1 January 2022				
At cost	1 698 220	45 463	250 205	1 993 888
Accumulated depreciation	(1 538 886)	(44 874)	(214 231)	(1 797 991)
Additions during the year	198 342	-	-	198 342
Depreciation for the year	(148 225)	(588)	(15 985)	(164 799)
Net book value - 31 December 2022				
At cost	1 896 562	45 463	250 205	2 192 231
Accumulated depreciation	(1 687 111)	(45 462)	(230 216)	(1 962 790)
	159 334	589	35 974	195 897
31 December 2021				
Net book value - 1 January 2021				
At cost	1 661 660	45 463	212 746	1 919 869
Accumulated depreciation	(1 406 262)	(44 874)	(197 023)	(1 648 159)
Additions during the year	36 560	-	37 459	74 019
Depreciation for the year	(132 624)	-	(17 208)	(149 832)
Net book value - 31 December 2021				
At cost	1 698 220	45 463	250 205	1 993 888
Accumulated depreciation	(1 538 886)	(44 874)	(214 231)	(1 797 991)
	159 334	589	35 974	195 897
	255 398	589	15 724	271 710

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2022 (Continued)

	2022 R	2021 R
4. INVESTMENTS		
STANLIB Unit trusts		
Balance at beginning of the year	8 237 186	7 902 202
Funds invested during the year	-	-
Interest and dividends received and reinvested	427 294	418 062
Management fees	(24 182)	(21 006)
Fair value adjustment	45 343	(62 072)
Balance at end of year	8 685 641	8 237 186
Standard Bank - Quantum Plus SA Investment		
Balance at beginning of the year	447 463	403 792
Funds withdrawn during the year	-	-
Interest received and reinvested	-	-
Fair value adjustment	10 553	43 671
Balance at end of year	458 016	447 463
Total investments	9 143 657	8 684 649
5. ACCOUNTS RECEIVABLE		
Lease and telephone deposits	107 870	107 870
Prepaid expenses	201 110	255 636
VAT receivable	881 690	266 588
	1 190 670	630 094
6. ACCRUED INCOME		
Transparency International e.V (Secretariat) - REAP	1 857 079	-
Transparency International e.V (Secretariat) - LAC	60 005	-
	1 917 083	-
7. CASH AND CASH EQUIVALENTS		
Current account	252 887	784 747
Marketlink accounts	866 184	4 141 514
Money market account	1 113 635	2 995 515
Petty cash	258	258
	2 232 963	7 922 034

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	2022 R	2021 R
8. ACCOUNTS PAYABLE		
Payroll liabilities	590 129	115 274
Sundry creditors	95 527	49 041
	<u>685 656</u>	<u>164 315</u>
9. DEFERRED INCOME		
Grants and donations		
ABSA Bank	-	640 106
Anglo Gold Ashanti Chairman's Fund	-	190 636
The Ball Family Foundation	261 042	348 939
Claude Leon Foundation	113 426	142 973
Constitutional Fund	60 503	-
The Crimeline Foundation	-	565 179
The David and Elaine Potter Foundation	591 225	-
The ELMA Foundation	1 577 278	1 163 528
The Ford Foundation	715 114	937 419
Kirsh Foundation	-	288 739
Millennium Trust	3 440 761	2 805 908
Oppenheimer Memorial Trust	727 605	1 668 054
Open Society Procurement	210 944	-
Open Society Foundation for South Africa	540 672	2 139 172
Overseas Development Institute	54 855	-
The RED Foundation	182 181	103 079
Roy Mcalpine Charitable Foundation	129 729	-
Sigrid Rausing Trust	-	1 122 587
Standard Bank of South Africa	-	91 063
Transparency International e.V (Secretariat)	124 719	-
Transparency International UK	-	954 593
Yellowwoods Social Investments	518 329	500 000
	<u>9 248 383</u>	<u>13 661 975</u>
10. PROVISION FOR LEAVE PAY		
Balance at beginning of the year	186 273	226 106
Additions during the year	703 165	663 726
(Utilised) during the year	(653 765)	(703 559)
	<u>235 673</u>	<u>186 273</u>

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	2022 R	2021 R
11. GRANTS AND DONATIONS		
ABSA Bank	640 106	37 894
Deferred to 2021	-	678 000
Deferred to 2022	640 106	(640 106)
Anglo Gold Ashanti Chairman's Fund	-	840 046
Received	-	775 918
Deferred to 2021	-	64 128
Anglo Gold Ashanti Chairman's Fund	190 636	121 941
Deferred to 2021	-	312 576
Deferred to 2022	190 636	(190 636)
Anonymous funder	-	526 448
Deferred to 2021	-	526 448
AOSI	1 106 163	
Received	1 166 666	-
Deferred to 2023	(60 503)	-
The Ball Family Foundation	337 896	151 061
Received	250 000	250 000
Deferred to 2021	-	250 000
Deferred to 2022	348 939	(348 939)
Deferred to 2023	(261 042)	-
Claude Leon Foundation	1 529 547	1 263 348
Received	1 500 000	1 250 000
Deferred to 2021	-	156 321
Deferred to 2022	142 973	(142 973)
Deferred to 2023	(113 426)	-
The Crimeline Foundation	565 179	984 533
Deferred to 2021	-	1 549 712
Deferred to 2022	565 179	(565 179)
The David and Elaine Potter Foundation	308 775	885 000
Received	900 000	885 000
Deferred to 2023	(591 225)	-
The ELMA Foundation	2 086 251	3 018 649
Received	2 500 000	2 000 000
Deferred to 2021	-	2 182 178
Deferred to 2022	1 163 528	(1 163 528)
Deferred to 2023	(1 577 278)	-
The Ford Foundation	1 908 834	490 653
Received	1 686 529	1 428 071
Deferred to 2022	937 419	(937 419)
Deferred to 2023	(715 114)	-
Balance carried forward	8 673 387	8 319 572

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	2022 R	2021 R
11. GRANTS AND DONATIONS (Continued)		
Balance brought forward	8 673 387	8 319 572
GiZ	-	679 729
Received	-	785 422
Accrued in 2020	-	(105 693)
Kirsh Foundation	288 739	381 157
Received	-	250 000
Deferred to 2021	-	419 896
Deferred to 2022	288 739	(288 739)
Millennium Trust	1 865 147	1 030 474
Received	2 500 000	2 500 000
Deferred to 2021	-	1 336 382
Deferred to 2022	2 805 908	(2 805 908)
Deferred to 2023	(3 440 761)	-
Oppenheimer Memorial Trust	1 740 450	469 598
Received	800 000	700 000
Deferred to 2021	-	1 437 653
Deferred to 2022	1 668 054	(1 668 054)
Deferred to 2023	(727 605)	-
Open Society Foundation for South Africa	1 598 500	2 682 890
Received	-	4 500 000
Deferred to 2021	-	322 062
Deferred to 2022	2 139 172	(2 139 172)
Deferred to 2023	(540 672)	-
Open ownership	-	-
Received	210 944	-
Deferred to 2023	(210 944)	-
Overseas Development Institute	33 291	123 945
Received	88 146	123 945
Deferred to 2023	(54 855)	-
Raith Foundation	-	702 666
Deferred to 2021	-	702 666
The RED Foundation	670 898	1 241 693
Received	750 000	750 000
Deferred to 2021	-	594 772
Deferred to 2022	103 079	(103 079)
Deferred to 2023	(182 181)	-
Roy Mcalpine Charitable Trust	370 271	500 000
Received	500 000	500 000
Deferred to 2023	(129 729)	-
Balance carried forward	15 240 683	16 131 725

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 THE YEAR ENDED 31 DECEMBER 2022 (Continued)**

	2022 R	2021 R
11. GRANTS AND DONATIONS (Continued)		
Balance brought forward	15 240 683	16 131 725
Sigrid Rausing Trust	1 122 587	1 728 737
Received	-	2 894 850
Accrued in 2020	-	(43 527)
Deferred to 2022	1 122 587	(1 122 587)
Social Change Initiative	185 436	-
Received	185 436	-
Standard Bank of South Africa	91 063	908 937
Received	-	500 000
Deferred to 2021	-	500 000
Deferred to 2022	91 063	(91 063)
Tides Foundation	-	1 499 738
Deferred to 2021	-	1 499 738
Transparency International e.V (Secretariat)	4 479 929	1 792 642
Received	1 732 973	2 724 421
Deferred to 2021	-	22 814
Accrued in 2022	1 917 083	-
Deferred to 2022	954 593	(954 593)
Deferred to 2023	(124 719)	-
Transparency International UK	-	323 558
Deferred to 2021	-	323 558
Yellowwoods Social Investments	981 671	-
Received	1 000 000	-
Deferred to 2021	-	500 000
Deferred to 2022	500 000	(500 000)
Deferred to 2023	(518 329)	-
Others	281 047	428 701
	22 382 416	22 814 037
Total summary		
Received	16 051 741	23 246 328
Accrued in 2020	-	(149 220)
Accrued in 2022	1 917 083	-
Deferred to 2021	-	13 378 904
Deferred to 2022	13 661 975	(13 661 975)
Deferred to 2023	(9 248 383)	-
	22 382 416	22 814 037

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	2022 R	2021 R
12. NET INTEREST RECEIVED		
Interest earned - savings accounts	5 178	3 791
Interest earned - call deposit accounts	254 928	250 252
Statement of comprehensive income	260 107	254 043
Interest earned - Stanlib unit trusts	427 294	418 062
Statement of changes in reserves	427 294	418 062
Total interest earned	687 401	672 105

13. DIRECTOR'S EMOLUMENTS

Executive director - KJ Singh		
Normal salary	1 560 658	-
Executive director - DH Lewis		
Normal salary	-	1 560 697
Severance pay	-	668 136
	-	2 228 833
	1 560 658	2 228 833

The portion of the director's emoluments related to programme costs of R1,170,493 (2021 : R1,248,558) has been allocated to the relevant programme costs reflected in note 14.

14. PROGRAMME COSTS

Campaigns	2 856 593	2 597 896
Communication	6 119 467	3 098 801
Legal policy and investigation	3 484 206	7 322 827
Research	906 316	3 366 061
Stakeholder management	3 078 323	796 381
	16 444 905	17 181 967

15. COMMITMENTS

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

Payable within one year	283 752	228 000
Payable thereafter	-	-
	283 752	228 000

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
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	2022	2021
	R	R
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.		
17. CASH (UTILISED IN)/GENERATED FROM OPERATIONS		
Surplus for the year	664 984	869 905
Adjustment:		
Interest received	(260 107)	(254 043)
Depreciation	164 799	149 832
(Increase)/decrease in accrued income	(1 917 083)	149 220
(Decrease)/increase in deferred income	(4 413 592)	130 091
Increase/(decrease) in provision for leavepay	49 400	(39 834)
Operating (deficit)/surplus before working capital changes	(5 711 599)	1 005 172
Changes in working capital	(39 235)	(373 513)
(Increase) in accounts receivable	(560 576)	(80 049)
Increase/(decrease) in accounts payable	521 341	(293 464)
Cash (utilised in)/generated from operations	(5 750 834)	631 659

18. RELATED PARTIES

Director's emoluments

refer notes 13/14

19. CONTINGENT LIABILITY

An action for defamation has been instituted against Corruption Watch in relation to an allegedly defamatory letter published on Corruption Watch's website, requesting the Minister of Agriculture, Land Reform and Rural Development to investigate an alleged occurrence of corruption within the Department, and mentioning the plaintiff in this matter by name. The plaintiff has claimed R500 000 in the matter, plus interest. Corruption Watch has argued that the statements concerning the plaintiff in the letter were not defamatory, alternatively, were true and published in the public interest.

The pleadings in the matter have closed.

Legal counsel has estimated that if Corruption Watch are unsuccessful, the amount of award to the plaintiff could be from R50 000 to R150 000, possibly plus the legal costs of the other side.

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2022
R

2021
R

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 continue to provide support to the company in 2023 and 2024.