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

(NPO REGISTRATION NO. 102-843-NPO)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2025

DOUGLAS
& VELCICH
CHARTERED ACCOUNTANTS (SA)

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

Annual Financial Statements for the year ended 31 December 2025

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 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:-	
	T Maseko (Chairperson)	
	MI Giddy ZT Kota KML Rajuili	
	S Mirzoyev	- appointed 5 December 2025
	TJ Musekwa	- appointed 5 December 2025
	GD Pienaar	- appointed 5 December 2025
	NB Mdangayi	- resigned 8 December 2025
	LL Ramafoko (Executive Director)	- appointed 1 January 2026
	KJ Singh (Executive Director)	- resigned 28 February 2025
Legal form	Non-Profit Company (NPC) with members	
Registration numbers	Company registration	K2011/118829/08
	NPO registration	102-843-NPO
Registered office and business address	6 Sturdee Avenue Rosebank Johannesburg 2196	
Website address	www.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 no. 71 of 2008 of South Africa and the International Standards on Auditing (ISA).	

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

(NPO REGISTRATION NO. 102-843-NPO)

INDEX TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Contents	Page

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 2025

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 the International Financial Reporting Standard for Small and Medium-sized Entities. 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 2026 and, in the light of this review, in conjunction with restructuring and cost-saving measures 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 4.

The financial statements set out on pages 5 to 22, which have been prepared on the going concern basis, were approved by the board of directors on the 12th June 2026 and were signed on its behalf by:

T. Hfen.

DOUGLAS & VELCICH
CHARTERED ACCOUNTANTS (SA)
Forum 2, BraamPark, 33 Hoofd St
Braamfontein, Johannesburg 2001
PO Box 32707 Braamfontein 2017
Tel: 011-403-3835
Fax: 011-339-7762
Email: info@d-v.co.za

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 6 to 22, which comprise the statement of financial position as at 31 December 2025, 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 2025, 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 no. 71 of 2008 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 20 in the financial statements, which indicates that the company is currently undergoing restructuring and cost-cutting measures due to funding restrictions from various global factors. As stated, the company is solely reliant on donor funding and even though donor funding has not currently been secured for the next 12 months and beyond to fully cover the 2026 budget, the Board of Directors are confident this will transpire. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

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

1. As explained in note 1.12 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 1.12, 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 pages 5 to 6. 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 no. 71 of 2008 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.

Rev Vincent Bhengu CA (SA), RA (IRBA 507361)
Douglas & Velcich
Chartered Accountants (S.A.)
Johannesburg
29 June 2026

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 2025

Your board of directors presents its report, together with the audited financial statements of the company for the financial year ended 31 December 2025.

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 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 of activities for the year

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

Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report which might have a material impact on the reported results.

Litigation

The company is not currently involved in any claims or lawsuits, which individually or in aggregate, are expected to have a material adverse effect on the company or its assets.

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. The company is currently undergoing a restructuring process to streamline costs, as global pressures are mounting and funding sources are becoming more limited. Directors are confident that measures that are being implemented will be successful and with the appointment of the new executive director in the 2026 financial year, that new funding will be secured.

The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

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 2025 (Continued)

Property, plant and equipment

During the year under review, the company acquired equipment costing R36,460 (2024:R163,400).

Directors

The following directors served during the year under review :-

T Maseko (Chairperson)
MI Giddy
ZT Kota
KML Rajuili

S Mirzoyev	- appointed 5 December 2025
TJ Musekwa	- appointed 5 December 2025
GD Pienaar	- appointed 5 December 2025
NB Mdangayi	- resigned 8 December 2025
LL Ramafoko (Executive Director)	- appointed 1 January 2026
KJ Singh (Executive Director)	- resigned 28 February 2025

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 2025

	Note	2025 R	2024 R
ASSETS		**10 362 597**	**13 018 297**
Non current assets		**141 901**	**303 406**
Equipment	3	141 901	303 406
Current assets		**10 220 696**	**12 714 890**
Trade and other receivables	4	618 206	922 123
Accrued income	5	69 355	661 173
Investments	6	4 817 136	8 792 042
Cash and cash equivalents	8	4 716 000	2 339 552
Total assets		**10 362 597**	**13 018 297**
RESERVES AND LIABILITIES		**10 362 597**	**13 018 297**
Reserves		**6 261 827**	**5 970 287**
Accumulated surplus		1 302 790	968 490
Equipment fund		141 901	303 406
Sustainability fund		4 817 136	4 698 391
Current liabilities		**4 100 769**	**7 048 010**
Trade and other payables	9	1 405 052	470 490
Deferred income	7	2 232 618	5 855 176
Provision for leave pay	10	463 099	722 345
Total reserves and liabilities		**10 362 597**	**13 018 297**

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

(NPO REGISTRATION NO. 102-843-NPO)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 R	2024 R
INCOME		**23 877 774**	**27 788 905**
Grant income	**11**	23 504 753	27 364 739
Donations received		206 614	164 254
Interest received	**12**	134 787	241 275
Sundry income		31 620	18 638
EXPENDITURE		**24 221 934**	**28 136 861**
Assets expensed directly		748	3 664
Audit fees	**13**	168 974	79 646
Bank charges		44 537	64 308
Communication costs		136 583	158 730
Computer expenses		40 258	37 006
Depreciation	**3**	197 965	231 216
Director's emoluments	**14**	751 233	427 489
Fundraising costs		19 125	125 200
Insurance		32 321	28 551
Interest and penalties		2 738	61 321
Irrecoverable donor funds written off	**7**	447 258	-
Office renovations		-	388 313
Office supplies		48 701	56 223
Printing and stationery		3 633	5 235
Provision for irrecoverable donor funds	**5**	(318 897)	318 897
Programme costs	**14/15**	18 246 409	21 057 770
Rent, parking, water and electricity		97 059	161 398
Repairs and maintenance		8 587	5 350
Salaries, wages and contributions		4 048 343	4 377 835
Staff training and welfare		122 263	310 983
Travel and accommodation		124 097	237 725
(DEFICIT) FOR THE YEAR		**(344 160)**	**(347 956)**
OTHER COMPREHENSIVE INCOME		**635 700**	**889 394**
Interest and dividends received on investments	**12**	510 814	845 302
Management fees on investment		(67 401)	(129 650)
Fair value adjustment on investment		192 288	173 742
TOTAL COMPREHENSIVE INCOME		**291 541**	**541 439**

(NPO REGISTRATION NO. 102-843-NPO)

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2025

	Accumulated Surplus R	Equipment Fund R	Sustainability Fund R	Total R
Balance at 31 December 2023	**1 248 629**	**371 222**	**3 808 997**	**5 428 848**
Comprehensive income for 2024	**(347 956)**	**-**	**889 394**	**541 439**
(Deficit) for the year	(347 956)	-	-	(347 956)
Interest and dividends received on investments	-	-	845 302	845 302
Management fees on investments	-	-	(129 650)	(129 650)
Fair value adjustment on investments	-	-	173 742	173 742
Transfer to equipment fund	(163 400)	163 400	-	-
Acquisitions during the year	(163 400)	163 400	-	-
Depreciation during the year	231 216	(231 216)	-	-
Balance at 31 December 2024	**968 490**	**303 406**	**4 698 391**	**5 970 287**
Comprehensive income for 2025	**(344 160)**	**-**	**635 700**	**291 541**
(Deficit) for the year	(344 160)	-	-	(344 160)
Interest and dividends received on investments	-	-	510 814	510 814
Management fees on investments	-	-	(67 401)	(67 401)
Fair value adjustment on investments	-	-	192 288	192 288
Transfer to equipment fund	(36 460)	36 460	-	-
Acquisitions during the year	(36 460)	36 460	-	-
Depreciation during the year	197 965	(197 965)	-	-
Transfer from sustainability fund	516 955	-	(516 955)	-
Balance at 31 December 2025	**1 302 790**	**141 901**	**4 817 136**	**6 261 827**

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

(NPO REGISTRATION NO. 102-843-NPO)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 R	2024 R
Cash flows from operating activities			
Cash receipts from funders and donors		20 712 248	22 066 598
Cash paid to programmes, suppliers and employees		(23 044 733)	(26 762 936)
Cash (utilised in) operations	**19**	**(2 332 486)**	**(4 696 338)**
Interest received	**12**	645 601	1 086 577
Net cash (outflow) from operating activities		**(1 686 885)**	**(3 609 761)**
Cash flows generated from investing activities		**4 063 332**	**1 030 520**
Acquisition of equipment, at cost	**3**	(36 460)	(163 400)
Net returns (interest and dividends) reinvested	**6**	(510 814)	(845 302)
Funds withdrawn from the investments	**6**	5 500 000	5 629 222
Funds deposited into the investments	**6**	(889 394)	(3 590 000)
Net increase/(decrease) in cash and cash equivalents		**2 376 447**	**(2 579 241)**
Cash and cash equivalents at beginning of year		**2 339 552**	**4 918 793**
Cash and cash equivalents at end of year	**8**	**4 716 000**	**2 339 552**

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 no. 71 of 2008 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 Property, plant and 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	Estimated 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.

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.

Accounting Policies (Continued)

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.

Trade and other receivables

Trade and other receivables are 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.

Trade and other payables

Trade and other payables 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.

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.

Accounting Policies (Continued)

1.6 Deferred income

The amounts consist of unused cash received from various donors where grants are conditional upon certain conditions being met. The funds are earmarked for specific projects with specific targets and deliverables that are set by the donors. The amount is expected to be realised as revenue over the next 12 months. The amounts are included at amortised cost.

1.7 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.

1.8 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.

1.9 Revenue recognition

Revenue comprises grants and donations received.

Grants income - revenue from contracts with donors

Grant income comprises amounts receivable from donors under grant letters of award or grant agreements.

Amounts received from donors as compensation for expenditure on specified activities, goods or services are classified as deferred income when the amounts are received prior to the related expenditure being incurred. Deferred income is recognised over the periods of the related grants and are matched to the expenditure that they are intended to compensate, provided there is reasonable assurance that the company will comply with the conditions attached to the grants.

Amounts that become payable by donors as compensation for expenditure or losses already incurred are accrued provided there is reasonable assurance that the company has complied with the conditions attached to the grant.

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

1.10 Interest income

Interest is brought to account as and when received.

Accounting Policies (Continued)

1.11 Expenditure

Expenditure is accounted for on the accrual basis of accounting.

1.12 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.

1.13 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.

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.

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 2025 (Continued)

3. Property, plant and equipment

	Computer equipment R	Office equipment R	Office furniture R	Total R
31 December 2025				
Net book value - 1 January 2025	**293 717**	**1**	**9 688**	**303 406**
At cost	923 493	4 990	260 890	1 189 374
Accumulated depreciation	(629 776)	(4 989)	(251 202)	(885 968)
Additions during the year	36 460	-	-	36 460
Depreciation for the year	(192 952)	(1)	(5 012)	(197 965)
Net book value - 31 December 2025	**137 225**	**-**	**4 675**	**141 901**
At cost	959 953	4 990	260 890	1 225 834
Accumulated depreciation	(822 728)	(4 990)	(256 215)	(1 083 933)
31 December 2024				
Net book value - 1 January 2024	**350 500**	**1**	**20 721**	**371 222**
At cost	2 230 717	45 463	260 890	2 537 070
Accumulated depreciation	(1 880 216)	(45 462)	(240 169)	(2 165 848)
Additions during the year	163 400	-	-	163 400
Assets scrapped during the year	-	-	-	-
At cost	(1 470 623)	(40 473)	-	(1 511 096)
Accumulated depreciation	1 470 623	40 473	-	1 511 096
Depreciation for the year	(220 183)	-	(11 033)	(231 216)
Net book value - 31 December 2024	**293 717**	**1**	**9 688**	**303 406**
At cost	923 493	4 990	260 890	1 189 374
Accumulated depreciation	(629 776)	(4 989)	(251 202)	(885 968)

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 2025 (Continued)

	2025 R	2024 R
4. Accounts receivable		
Lease and telephone deposits	106 294	207 853
Prepaid expenses	42 228	37 002
Staff recoverables	39 231	-
SARS receivable	32 969	-
VAT receivable	397 484	677 269
	618 206	**922 123**
5. Accrued income		
Millennium Trust	-	125 143
Transparency International e.V (Secretariat)	69 355	854 927
Accrued income for the year	69 355	980 070
Less : provision for irrecoverable funds (USAID) via Transparency International e.V (Secretariat)	-	(318 897)
	69 355	**661 173**
6. Investments		
STANLIB Unit trusts		
Balance at beginning of the year	5 519 677	9 472 431
Funds invested during the year	-	500 000
Funds withdrawn during the year	(5 500 000)	(5 090 000)
Interest and dividends received and reinvested	312 223	689 049
Management fees	(9 083)	(22 234)
Fair value adjustment	(46 475)	(29 569)
Balance at end of year	**276 342**	**5 519 677**
Standard Bank - Classic Investment Plan		
Balance at beginning of the year	3 272 365	-
Funds invested during the year	889 394	3 090 000
Interest and dividends received and reinvested	198 591	86 469
Management fees	(58 318)	(107 415)
Fair value adjustment	238 762	203 311
Balance at end of year	**4 540 794**	**3 272 365**
Standard Bank - Quantum Plus SA Investment		
Balance at beginning of the year	-	469 438
Funds withdrawn during the year	-	(539 222)
Interest received	-	69 783
Fair value adjustment	-	-
Balance at end of year	**-**	**-**
Total investments	**4 817 136**	**8 792 042**

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 2025 (Continued)

7. Deferred income

2025 deferred income per donor

	Balance at beginning of year	Received during the year	Donor expenditure	Equipment purchased	Irrecoverable donor funds written off	Funds transferred to project partners	Reflected as accrued income (refer to note 5)	Balance at end of year
	R	R	R	R	R	R	R	R
Alliance for Open Society International	470 273	-	(470 273)	-	-	-	-	-
The Claude Harris Leon Foundation	28 365	-	(28 365)	-	-	-	-	-
The ELMA Foundation	91 838	3 000 000	(3 091 838)	-	-	-	-	-
The European Union (SAAC programme)	454 924	6 961 733	(2 343 200)	-	-	(5 039 644)	-	33 812
GIZ German Cooperation	2 468 713	-	(2 468 713)	-	-	-	-	-
Millennium Trust	(125 143)	3 000 000	(2 838 397)	(36 460)	-	-	-	-
New Venture	693 043	-	(693 043)	-	-	-	-	-
Oppenheimer Memorial Trust	-	1 650 000	(956 506)	-	-	-	-	693 494
The RES Foundation	-	825 000	(825 000)	-	-	-	-	-
Social Justice Initiative	879 220	2 500 000	(1 873 908)	-	-	-	-	1 505 312
Transparency International e.V (Secretariat)	(86 129)	2 408 920	(2 839 404)	-	447 258	-	69 355	-
	4 875 105	**20 345 653**	**(18 428 648)**	**(36 460)**	**447 258**	**(5 039 644)**	**69 355**	**2 232 618**
Add : disclosed under Accrued income	**980 070**							
	5 855 176							**2 232 618**

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 2025 (Continued)

7. Deferred income

2024 deferred income per donor

	Balance at beginning of year	Received during the year	Equipment and Rental deposit	Donor expenditure	Funds transferred to project partners	Reflected as accrued income (refer to note 5)	Balance at end of year
	R	R	R	R	R	R	R
Alliance for Open Society International	530 771	1 166 668	-	(1 227 166)	-	-	470 273
Aspen Pharmacare Holdings	-	100 000	-	(100 000)	-	-	-
The Claude Harris Leon Foundation	487 193	1 500 000	-	(1 958 827)	-	-	28 365
The David and Elaine Potter Foundation	382 908	90 000	-	(472 908)	-	-	-
The ELMA Foundation	-	3 000 000	(94 400)	(2 813 762)	-	-	91 838
The European Union (SAAC programme)	4 326 567	-	-	(1 560 080)	(2 311 564)	-	454 924
The Ford Foundation	609 354	1 883 245	(69 000)	(2 423 599)	-	-	-
GIZ German Cooperation	929 897	3 427 994	-	(1 889 178)	-	-	2 468 713
Millennium Trust	(84 340)	3 000 000	(104 894)	(2 935 908)	-	125 143	-
New Venture	-	853 400	-	(160 357)	-	-	693 043
Oppenheimer Memorial Trust	-	800 000	(1 725)	(798 275)	-	-	-
Open Society Foundation for South Africa	214 309	-	-	(214 309)	-	-	-
Open Society Procurement	44 872	-	-	(44 872)	-	-	-
The RES Foundation	-	825 000	-	(825 000)	-	-	-
The Roy McAlpine Charitable Foundation	591 541	500 000	-	(1 091 541)	-	-	-
Social Justice Initiative	-	1 000 000	-	(120 780)	-	-	879 220
Transparency International e.V (Secretariat)	1 739 561	3 418 503	-	(5 244 193)	-	854 927	768 799
Yellowwoods Social Investments	902 402	-	-	(902 402)			-
	10 675 035	**21 564 809**	**(270 019)**	**(24 783 156)**	**(2 311 564)**	**980 070**	**5 855 176**
Add : disclosed under Accrued income	**839 656**						
	11 514 691						**5 855 176**

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 2025 (Continued)

	2025 R	2024 R
8. Cash and cash equivalents		
Current account	2 027 497	841 678
Marketlink accounts	1 170 861	1 338 168
Money market account	1 517 641	159 706
	4 716 000	**2 339 552**
9. Accounts payable		
Payroll liabilities	99 513	390 516
Sundry creditors	160 746	79 973
Transparency International (EU disbursement due)	1 144 792	-
	1 405 052	**470 490**
10. Provision for leave pay		
Balance at beginning of the year	722 345	273 772
Additions during the year	624 781	870 865
(Utilised) during the year	(776 651)	(376 412)
Leave paid out	(107 375)	(45 880)
	463 099	**722 345**
11. Grant income		
Grant income recognised	18 428 648	24 783 156
Grant income utilised for equipment and rental deposit	36 460	270 019
Grant funds that are disbursed to project partners	5 039 644	2 311 564
	23 504 753	**27 364 739**
12. Net interest and dividends received		
Interest earned - savings accounts	7 735	8 629
Interest earned - call deposit accounts	127 052	232 646
Statement of comprehensive income	**134 787**	**241 275**
Interest and dividends earned - Stanlib unit trusts	312 223	689 049
Interest and dividends earned - Classic Investment Plan	198 591	86 469
Interest and dividends earned - Quantum Plus SA Investment	-	69 783
Statement of changes in reserves	**510 814**	**845 302**
Total interest and dividends earned	**645 601**	**1 086 577**

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 2025 (Continued)

	2025 R	2024 R
13. Audit fees		
Statutory audit (2024/2023)	91 230	79 646
Payable thereafter	77 744	-
	168 974	**79 646**

14. Director's emoluments

	2025 R	2024 R
Executive director - KJ Singh		
Normal salary	**1 064 948**	**1 709 955**

The portion of the director's emoluments related to programme costs of R313,715 (2024: R1,282,466) has been allocated to the relevant programme costs reflected in note 15 below.

15. Programme costs

	2025 R	2024 R
Campaigns	7 309 820	6 576 499
Direct expenditure	2 270 175	4 264 935
Funds disbursed to project partners (SAAC programme)	5 039 644	2 311 564
Communication	5 118 944	5 398 507
Legal policy and investigation	3 060 362	4 366 663
Research	672 298	2 295 180
Stakeholder management	2 084 985	2 420 920
	18 246 409	**21 057 770**

16. Commitments

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

	2025 R	2024 R
Payable within one year	507 737	507 737
Payable thereafter	211 557	719 294
	719 294	**1 227 031**

17. 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 no. 58 of 1962.

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 2025 (Continued)

18. Related parties

Director's emoluments (***Refer to Notes 14 and 15***)

19. Cash (utilised in) operations

	2025 R	2024 R
(Deficit) for the year	(344 160)	(347 956)
Adjustment:		
Interest received	(134 787)	(241 275)
Depreciation	197 965	231 216
Decrease in accrued income	591 818	178 483
(Decrease) in deferred income	(3 622 558)	(5 659 515)
(Decrease)/increase in provision for leave pay	(259 245)	448 573
Operating (deficit) before working capital changes	**(3 570 966)**	**(5 390 474)**
Changes in working capital	**1 238 480**	**694 136**
Decrease in trade and other receivables	303 918	595 929
Increase in trade and other payables	934 563	98 207
Cash (utilised in) operations	**(2 332 486)**	**(4 696 338)**

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. The company is currently undergoing a restructuring process to streamline costs, as global pressures are mounting and funding sources are becoming more limited. Directors are confident that measures that are being implemented will be successful and with the appointment of the new executive director in the 2026 financial year, that new funding will be secured.