

**AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC**  
(REGISTRATION NUMBER 2009/024323/08)

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## GENERAL INFORMATION

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Journalistic investigations, support and advocacy
<b>Directors</b>	T Kupe (Non-executive, chairman) S C Brümmer (Executive) S P Sole (Executive) N A M Dawes (Non-executive) S M Evans-Amoretti (Non-executive, employee representative, elected 18 September 2018) S N Mbete (Non-executive) S Msimang (Non-executive) A M Quintal (Non-executive) V T Timse (Non-executive, employee representative, resigned 18 September 2018)
<b>Registered and business office</b>	41 Salt River Road Salt River Cape Town 7925
<b>Company registration number</b>	2009/024323/08
<b>Preparer</b>	These annual financial statements were compiled by: K Bailey of CMDS
<b>Level of assurance</b>	These annual financial statements were audited in compliance with the applicable requirements of the Companies Act of South Africa
<b>Auditors</b>	RSM South Africa Incorporated Chartered Accountants (SA) Registered Auditors

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## INDEX

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The reports and statements set out below comprise the annual financial statements presented to the directors:

	<b>Page</b>
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Directors' Report	7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 18

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	19 - 20
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## AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### DIRECTORS' RESPONSIBILITIES AND APPROVAL

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

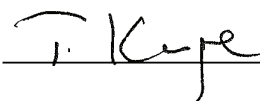
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for 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 all 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 control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and the related report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 18, which were prepared on the going concern basis, were approved and published by the directors and were signed on their behalf by:



Director



Director

31/07/2019

Date

## INDEPENDENT AUDITOR'S REPORT

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### TO THE DIRECTORS OF AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

#### Qualified opinion

We have audited the financial statements of Amabhungane Centre for Investigative Journalism NPC set out on pages 8 to 18, which comprise the Statement of Financial Position as at 31 March 2019, and the Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Amabhungane Centre for Investigative Journalism NPC as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### Basis for Qualified Opinion

In common with similar organisations, it was not possible for the company to institute controls over public donations made to the company, other than those received via a third party service provider. Accordingly, we were unable to verify the completeness of public donations (other than those received via a third party service provider) beyond those actually recorded or received to the bank account.

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 Consolidated Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) (IRBA Code (Revised January 2018)), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (IRBA Code (Revised November 2018)) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Code (Revised January 2018), the IRBA Code (Revised November 2018) and in accordance with other ethical requirements applicable to performing audits in South Africa.

## THE POWER OF BEING UNDERSTOOD

### AUDIT | TAX | CONSULTING

**Directors** E Bergh, B Com (Hons), CA(SA), C D Betty, B Acc, CA(SA), M G Q de Faria, B Bus Sc, CA(SA), B J Eaton, B Acc, H Dip Tax Law, CA(SA), A C Galloway, B Sc Mech Eng, CA(SA), M Greisdorfer, B Com (Hons), CA(SA), H Heymans, B Compt (Hons), M Com, FCCA, CA(SA), N C Hughes, B Compt (Hons), PG Cert Adv Tax, CA(SA), J Jones, B Com, B Acc, H Dip Tax Law, H Dip Int Tax Law, CA(SA), J Kitching, B Compt (Hons), CA(SA), L Mac Donald, B Compt (Hons), CA(SA), L Quintal, B Com (Hons), CA(SA), R Rawoot, B Compt (Hons), CA(SA), P D Schulze, B Acc Sc (Hons), PG Dip Tax Law, CA(SA), M Steenkamp, B Compt (Hons), CA(SA), L M van der Merwe, B Com (Hons), CA(SA), A D Young, B Compt (Hons), CA(SA)

RSM South Africa Inc. Registration No. 2016/324649/21, Practice No. 900435 is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Sections 290 and 291 of the IRBA Code (Revised January 2018) are consistent with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. Parts 1 and 3 of the IRBA Code (Revised November 2018) are consistent with parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The directors are responsible for the other information. The other information comprises the Directors' responsibility statement, Directors' Report as required by the Companies Act of South Africa, and Detailed Income Statement. 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 an audit opinion or 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 have performed on the other information obtained prior to the date of this auditor's report, 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 the Directors for the Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement 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 the directors.
- Conclude on the appropriateness of the directors' 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.

We communicate with the directors 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.

*RSM South Africa Inc.*

**RSM South Africa Incorporated**  
**Chartered Accountants (SA)**

**Andrew Galloway CA(SA)**  
**Director**  
**Cape Town**

08/08/19

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## DIRECTORS' REPORT

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The directors submit their report on the annual financial statements of for the year ended 31 March 2019.

### 1. Review of activities

#### Main business and operations

The company carries on the business of journalistic investigations, support and advocacy in Southern Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

The company incurred a net surplus of R1 074 476 (2018: R964 648).

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company.

### 3. Events after the reporting period

The directors are not aware of any matter or circumstance arising between the end of the financial year and the date of this report that has a material impact on the annual financial statements.

### 4. Property, plant and equipment

There were no major changes in the nature of the non-current assets of the company during the year nor to the policy relating to the use thereof other than as reflected in note 2 of the annual financial statements.

### 5. Directors

The directors of the company during the year and to the date of this report are as follows:

T Kupe (Non-executive, chairman)

S C Brümmer (Executive)

S P Sole (Executive)

N A M Dawes (Non-executive)

S M Evans-Amoretti (Non-executive, employee representative, elected 18 September 2018)

S N Mbete (Non-executive)

S Msimang (Non-executive)

A M Quintal (Non-executive)

V T Timse (Non-executive, employee representative, resigned 18 September 2018)



# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## STATEMENT OF FINANCIAL POSITION

Figures in Rand	Note(s)	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	114 497	130 549
Intangible assets	3	219 592	23 000
		<u>334 089</u>	<u>153 549</u>
<b>Current assets</b>			
Current tax receivable		102 940	102 940
Receivables	4	266 865	192 370
Cash and cash equivalents	5	4 697 937	3 270 214
		<u>5 067 742</u>	<u>3 565 524</u>
<b>Total Assets</b>		<u><b>5 401 831</b></u>	<u><b>3 719 073</b></u>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Accumulated funds		3 482 713	2 408 237
		<u>3 482 713</u>	<u>2 408 237</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	6	814 888	1 079 697
Deferred income	7	1 089 571	210 134
Credit card balances	5	14 659	21 005
		<u>1 919 118</u>	<u>1 310 836</u>
<b>Total Funds and Liabilities</b>		<u><b>5 401 831</b></u>	<u><b>3 719 073</b></u>

## AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### STATEMENT OF COMPREHENSIVE INCOME

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Figures in Rand	Notes(s)	2019	2018
Foundational grant funding	8	7 463 727	6 705 690
Donations income - GivenGain		1 256 314	1 221 353
Donations income - Other		960 156	1 082 150
Other income		47 302	3 289
Operating expenses		<u>(9 005 049)</u>	<u>(8 303 305)</u>
<b>Operating surplus</b>	9	<b>722 450</b>	<b>709 177</b>
Interest income	10	352 047	255 487
Interest expense		(21)	(16)
<b>Net surplus for the year</b>		<b><u>1 074 476</u></b>	<b><u>964 648</u></b>

## AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### STATEMENT OF CHANGES IN FUNDS

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<b>Figures in Rand</b>	<b>Accumulated Funds</b>
<b>Balance at 1 April 2017</b>	<b>1 443 589</b>
Net surplus for the year	964 648
<b>Balance at 1 April 2018</b>	<b>2 408 237</b>
Net surplus for the year	1 074 476
<b>Balance at 31 March 2019</b>	<b>3 482 713</b>

## AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from operating activities		10 532 441	9 269 129
Cash paid to suppliers and employees		<u>(9 219 374)</u>	<u>(8 226 027)</u>
Cash generated from operations	12	1 324 624	1 043 102
Interest income		352 047	255 487
Interest expense		<u>(21)</u>	<u>(16)</u>
<b>Net cash from operating activities</b>		<b><u>1 676 650</u></b>	<b><u>1 298 573</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	2	(75 644)	(100 013)
Purchase of intangible assets	3	(208 149)	-
Proceeds on disposal of assets		41 212	-
<b>Net cash from investing activities</b>		<b><u>(242 581)</u></b>	<b><u>(100 013)</u></b>
<b>Total cash movement for the year</b>		<b>1 434 069</b>	<b>1 198 560</b>
Cash and cash equivalents at the beginning of the year		3 249 209	2 050 649
<b>Cash and cash equivalents at the end of the year</b>	5	<b><u>4 683 278</u></b>	<b><u>3 249 209</u></b>

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## ACCOUNTING POLICIES

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### 1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, incorporate the principal accounting policies set out below and are presented in South African Rands.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Management did not make any significant judgements in the process of applying the company's accounting policies, nor did they make estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

The cost of an item of property, plant and equipment 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.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment 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 property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value, over the useful life of the property, plant and equipment, which is as follows:

<b>Item</b>	<b>Average useful life</b>
Computer equipment	3 years
Leasehold improvements	3 years
Telephone equipment	5 years

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## ACCOUNTING POLICIES (CONTINUED)

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### 1.2 Property, plant and equipment (continued)

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the initial cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit in the period.

### 1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. If the company is unable to make a reliable estimate of the useful life of an intangible asset, the life is presumed to be 10 years.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Website	5 years

### 1.4 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

#### Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment deficit is recognised.

#### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

#### Income from financial assets

Interest is recognised, in surplus or deficit, using the effective interest method.

## **AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC**

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### **ACCOUNTING POLICIES (CONTINUED)**

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#### **1.5 Impairment of assets**

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the total unit to which the asset belongs is determined.

If an impairment deficit subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

#### **1.6 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 annual and sick leave, and bonuses), is recognised in the period in which the service is rendered and is not discounted.

#### **1.7 Foundational grant funding**

Foundational grants are from specific funders and are governed by individual agreements between each funder and the company.

Foundational grant funding that is unspent at year end is included in payables where agreements are in place in line with this policy. If no agreement is in place, any unspent funds are considered to be deferred income.

#### **1.8 Donations income**

Donations are recognised, in surplus or deficit, when the company's right to receive payment has been established.

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

### 2. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	251 967	(159 574)	92 393	226 409	(138 090)	88 319
Leasehold improvements	27 617	(26 667)	950	27 617	(15 294)	12 323
Telephone equipment	43 766	(22 612)	21 154	43 766	(13 859)	29 907
	<b>323 350</b>	<b>(208 853)</b>	<b>114 497</b>	<b>297 792</b>	<b>(167 243)</b>	<b>130 549</b>

#### Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals At cost	Disposals Acc dep	Depreciation	Total
Computer equipment	88 319	75 644	(50 086)	33 601	(55 085)	92 393
Leasehold improvements	12 323	-	-	-	(11 373)	950
Telephone equipment	29 907	-	-	-	(8 753)	21 154
	<b>130 549</b>	<b>75 644</b>	<b>(50 086)</b>	<b>33 601</b>	<b>(75 211)</b>	<b>114 497</b>

### 3. INTANGIBLE ASSETS

	2019			2018		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Website	231 149	(11 557)	219 592	23 000	-	23 000

#### Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Website	23 000	208 149	(11 557)	219 592

### 4. RECEIVABLES

	2019	2018
Deposits	32 979	107 979
Donor receivable - Claude Leon Foundation	-	29 295
Other receivables	186 215	25 330
Staff loans	-	6 000
Value-added tax	47 671	23 766
	<b>266 865</b>	<b>192 370</b>

### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	-	481
Bank balances	301 433	273 006
Short-term deposits	4 396 504	2 996 727
Credit card balances	(14 659)	(21 005)
	<b>4 683 278</b>	<b>3 249 209</b>
Current assets	4 697 937	3 270 214
Current liabilities	(14 659)	(21 005)
	<b>4 683 278</b>	<b>3 249 209</b>



# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2019	2018
<b>6. PAYABLES</b>		
Other payables	194 605	203 539
Payables - RAITH Foundation	95 041	-
Payables - Social Justice Initiative (via Millennium Trust)	-	132 417
Accrued expenses	54 173	256 490
Accrued leave pay	471 069	487 251
	<b>814 888</b>	<b>1 079 697</b>
<b>7. DEFERRED INCOME</b>		
Deferred income relates to grant income received during the year, which has not yet been utilised at the end of the year. Deferred income balances related to the following funders:		
Deferred income - Claude Leon Foundation	429 816	-
Deferred income - Omidyar Network / Luminare	659 755	-
Deferred income - Open Society Initiative for Southern Africa	-	29 177
Deferred income - Social Justice Initiative	-	180 957
	<b>1 089 571</b>	<b>210 134</b>
<b>8. FOUNDATIONAL GRANTS</b>		
Funding - Bertha Foundation	600 000	600 000
Funding - Claude Leon Foundation	540 889	1 020 683
Funding - Millennium Trust	1 900 000	1 900 000
Funding - Omidyar Network / Luminare	989 633	-
Funding - Open Society Foundation for South Africa	1 500 000	1 500 000
Funding - Open Society Initiative for Southern Africa	714 872	560 459
Funding - RAITH Foundation	904 959	956 342
Funding - Social Justice Initiative	180 957	119 043
Funding - Social Justice Initiative (via Millennium Trust)	132 417	49 163
	<b>7 463 727</b>	<b>6 705 690</b>
<b>9. OPERATING SURPLUS</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises - contractual amounts	219 611	201 328
Depreciation on property, plant and equipment	75 211	72 780
Employee costs	6 884 564	5 711 969
Fees - compliance services	386 777	269 330
Legal expenses - advocacy	436 287	945 843
Travel - local	208 215	219 885
Computer expenses	140 900	134 702
<b>10. INTEREST INCOME</b>		
Bank	352 047	255 487

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand

2019

2018

### 11. TAXATION

The company is an approved public benefit organisation and thus is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act. Only receipts and accruals from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.

### 12. CASH GENERATED FROM OPERATIONS

Surplus for the year	1 074 476	964 648
<b>Adjustments for:</b>		
Amortisation	11 557	-
Depreciation	75 211	72 780
Deficit on disposal of assets	-	2
Gain on disposal of assets	(24 727)	-
Interest received	(352 047)	(255 487)
Finance costs	21	16
<b>Changes in working capital:</b>		
Receivables	(74 495)	46 513
Payables	(264 809)	4 496
Deferred income	879 437	210 134
	<b>1 324 624</b>	<b>1 043 102</b>

### 13. DIRECTORS' REMUNERATION

#### Executive

S C Brümmer	1 077 034	992 567
S P Sole	1 077 034	992 567
	<b>2 154 068</b>	<b>1 985 134</b>

#### Non-executive

S M Evans-Amoretti (Employee representative, elected 18 September 2018)	215 101	-
V T Timse (Employee representative, resigned 18 September 2018)	250 201	501 070
	<b>465 302</b>	<b>501 070</b>

# AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2019	2018
<b>14. COMMITMENTS</b>		
<b>Operating leases - as lessee</b>		
<b>Minimum lease payments due</b>		
Within one year	181 486	130 841
In second to fifth year inclusive	30 288	-
	<u>211 774</u>	<u>130 841</u>

Operating leases represent rentals payable by the company for its offices. The leases were negotiated for terms of 1 year. No contingent rent is payable.

## 15. FINANCIAL INSTRUMENTS BY CATEGORY

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2019</b>			
Receivables	219 194	-	219 194
Cash and cash equivalents	4 697 937	-	4 697 937
Payables	-	(814 888)	(814 888)
Credit card balances	-	(14 659)	(14 659)
	<u>4 917 131</u>	<u>(829 547)</u>	<u>4 087 584</u>
<b>2018</b>			
Receivables	168 604	-	168 604
Cash and cash equivalents	3 270 214	-	3 270 214
Payables	-	(1 079 697)	(1 079 697)
Credit card balances	-	(21 005)	(21 005)
	<u>3 438 818</u>	<u>(1 100 702)</u>	<u>2 338 116</u>

## AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### DETAILED INCOME STATEMENT

Figures in Rand	Note(s)	2019	2018
<b>FOUNDATIONAL GRANT FUNDING</b>			
Funding - Bertha Foundation		600 000	600 000
Funding - Claude Leon Foundation		540 889	1 020 683
Funding - Millennium Trust		1 900 000	1 900 000
Funding - Omidyar Network / Luminate		989 633	-
Funding - Open Society Foundation for South Africa		1 500 000	1 500 000
Funding - Open Society Initiative for Southern Africa		714 872	560 459
Funding - RAITH Foundation		904 959	956 342
Funding - Social Justice Initiative		180 957	119 043
Funding - Social Justice Initiative (via Millennium Trust)		132 417	49 163
		<u>7 463 727</u>	<u>6 705 690</u>
<b>OTHER INCOME</b>			
Donations income - GivenGain		1 256 314	1 221 353
Donations income - Other		960 156	1 082 150
Insurance claim		-	596
Gain on disposal of assets		24 727	-
Interest received		352 047	255 487
Other income		22 575	2 693
		<u>2 615 819</u>	<u>2 562 279</u>
<b>OPERATING EXPENSES (refer to page 20)</b>		<u>(9 005 049)</u>	<u>(8 303 305)</u>
<b>Operating surplus</b>		<u>1 074 497</u>	<u>964 664</u>
Interest expense		(21)	(16)
<b>Net surplus for the year</b>		<u>1 074 476</u>	<u>964 648</u>

The supplementary information presented does not form part of the financial statements and is unaudited.

## AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC

(Registration number 2009/024323/08)

Annual Financial Statements for the year ended 31 March 2019

### DETAILED INCOME STATEMENT (CONTINUED)

Figures in Rand	Note(s)	2019	2018
<b>OPERATING EXPENSES</b>			
Auditor's remuneration		72 350	67 950
Amortisation		11 557	-
Bad debts		125	-
Computer expenses		140 900	134 702
Corporate expenses		4 300	16 051
Deficit on disposal of assets		-	2
Depreciation		75 211	72 780
Digital outsourcing		500	6 359
Employee costs		6 884 564	5 711 969
Entertainment - reciprocals		43 001	37 651
Fees - compliance services		386 777	269 330
Fees - story specialists		700	119 043
Fees - training		25 138	24 059
Foreign exchange loss		2 603	-
GivenGain transaction fees		105 834	99 995
Lease rentals		219 611	201 328
Legal expenses - advocacy		436 287	945 843
Legal expenses - publication		17 445	31 343
Marketing materials		16 425	-
Miscellaneous expenses		51 022	46 601
Office subscriptions		-	50 686
Penalties and interest - SARS		15 205	-
Postage		10 147	6 318
Printing and stationery		11 612	13 845
Repairs and maintenance		47 693	40 829
Searches		73 695	64 070
Small asset expenses		2 975	8 092
Staff welfare		-	1 485
Telephone and fax		74 155	60 565
Travel - local		208 215	219 885
Travel - international		18 549	-
Travel - SADC		44 398	48 731
Venue hire		4 055	3 793
		<b>9 005 049</b>	<b>8 303 305</b>

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