

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

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

AMABHUNGANE CENTRE FOR INVESTIGATIVE JOURNALISM NPC
(Registration number 2009/024323/08)
Annual Financial Statements for the year ended 31 March 2017

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Journalistic investigations, journalistic support and advocacy
DIRECTORS	S C Brümmer S P Sole N A M Dawes T Kupe S N Mbete S Msimang A M Quintal V T Timse
BUSINESS AND REGISTERED OFFICE	41 Salt River Road Salt River Cape Town 7925
COMPANY REGISTRATION NUMBER	2009/024323/08
PREPARER	The annual financial statements were independently compiled by: H Adam CA(SA)
LEVEL OF ASSURANCE	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
AUDITORS	RSM South Africa Incorporated Chartered Accountants (SA) Registered Auditors

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

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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 judgements 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 deficit.

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 his report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 21, which have been prepared on the going concern basis, were approved by the directors and were signed on their behalf by:



Director



Director

September 21, 2017

Date



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INDEPENDENT AUDITOR'S REPORT

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 21, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Comprehensive Income, Statement of Changes in Reserves 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 effect 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 2017, 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. 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Directors: E. Bergh, B. Com. (Hons), CA(SA); C. O. Betty, B. Acc. CA(SA); A. B. J. J. de Waal, B. Com. B. Compt. (Hons); M. C. van der Merwe, (FORP), CA(SA); M. E. J. de Wit, B. Bus. Sc., CA(SA); B. J. Esterhuysen, B. Acc. H. Dip. Tax Law, CA(SA); C. J. Flynn, B. Compt. (Hons), CA(SA); A. T. Galloway, B. Sc. M. Eng., CA(SA); E. Geyser, B. Acc. (Hons), CA(SA); H. Heysmans, B. Comm. (Hons); M. C. van der Merwe, F.C.A., CA(SA); N. C. Hughes, B. Compt. (Hons), PG Cert. Acc. Tax, CA(SA); J. Jones, B. Com. B. Acc. H. Dip. Tax Law, H. Dip. Int. Tax Law, CA(SA); J. Hitching, B. Compt. (Hons), CA(SA); B. J. van der Merwe, B. Compt. (Hons), M. Com. (UgA), CA(SA); L. Mac Donald, B. Compt. (Hons), CA(SA); L. Quinlan, B. Com. (Hons), CA(SA); B. Rawood, B. Compt. (Hons), CA(SA); P. D. S. Schutte, B. Acc. Sc. (Hons), PGEDip. Tax Law, CA(SA); M. Silberham, B. Compt. (Hons), CA(SA); L. M. van der Merwe, B. Com. (Hons), CA(SA); A. Woodhouse, B. Com. (Hons), CA(SA); A. O. Young, B. Compt. (Hons), CA(SA)

RSM South Africa Inc. Registration No: 2016/324649/21, Poetsig No: 99043E is a member of the RSM network and trades as RSM RSM (its 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.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. 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, 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.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 22 to 23 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

RSM South Africa Inc.

**RSM South Africa Incorporated
Registered Auditors**

**Per Andrew Galloway CA(SA) RA
Director**

21 SEPTEMBER 2017

**Date
Cape Town**

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DIRECTORS' REPORT

The directors submit their report for the year ended 31 March 2017.

1. REVIEW OF ACTIVITIES

Main business and operations

The company carries on the business of journalistic investigations, journalistic 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 R613 655 (2016: R475 145).

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 for the company.

3. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year 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 to the annual financial statements.

5. DIRECTORS

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

S C Brümmer
S P Sole
N A M Dawes
T Kupe
S N Mbete
S Msimang
A M Quintal
V T Timse

Appointed 07 February 2017

Appointed 09 March 2017

Appointed 19 October 2016

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

Figures in Rand	Note(s)	2017	2016
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	103 318	72 829
Intangible assets	3	23 000	5 500
		<u>126 318</u>	<u>78 329</u>
Current Assets			
Current tax receivable		102 940	102 940
Trade and other receivables	4	238 883	347 445
Cash and cash equivalents	5	2 081 716	1 524 102
		<u>2 423 539</u>	<u>1 974 487</u>
Total Assets		<u>2 549 857</u>	<u>2 052 816</u>
RESERVES AND LIABILITIES			
RESERVES			
Accumulated surplus		1 443 589	829 934
LIABILITIES			
Current Liabilities			
Trade and other payables	6	1 075 201	1 204 048
Credit card balances	5	31 067	18 834
		<u>1 106 268</u>	<u>1 222 882</u>
Total Reserves and Liabilities		<u>2 549 857</u>	<u>2 052 816</u>

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STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	2017	2016
Foundational grants	7	6 937 991	5 126 119
Donations income		819 695	-
Other income		16	176 049
Trading income		-	2 396 280
Operating expenses		(7 360 767)	(7 548 046)
Operating surplus	8	396 935	150 402
Interest income	9	217 442	184 806
Interest expense		(722)	(743)
Surplus before taxation		613 655	334 465
Taxation	10	-	140 680
Total surplus for the year		613 655	475 145

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STATEMENT OF CHANGES IN RESERVES

Figures in Rand	Accumulated surplus
Balance at 01 April 2015	354 789
Surplus for the year as previously reported	617 758
Effect of prior period adjustment (refer note 15)	(142 613)
Balance at 01 April 2016	829 934
Surplus for the year	613 655
Balance at 31 March 2017	1 443 589

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STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		7 866 264	7 967 150
Cash paid to suppliers and employees		(7 437 555)	(7 804 566)
Cash generated from operations	11	428 709	162 584
Interest income		217 442	184 806
Interest expense		(722)	(743)
Tax received		-	119 477
Net cash from operating activities		645 429	466 124
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(82 548)	(48 858)
Purchase of other intangible assets	3	(17 500)	(5 500)
Net cash from investing activities		(100 048)	(54 358)
Total cash movement for the year		545 381	411 766
Cash and cash equivalents at the beginning of the year		1 505 268	1 093 502
Total cash and cash equivalents at the end of the year	5	2 050 649	1 505 268

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

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 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, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

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 entity'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:

Item	Average useful life
Computer equipment	3 years
Leasehold improvements	3 years
Telephone equipment	5 years

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.

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ACCOUNTING POLICIES

1.2 Property, plant and equipment (continued)

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 disposals 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	10 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.

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ACCOUNTING POLICIES

1.5 Tax

Public Benefit Organisation

The company has obtained Public Benefit Organisation status and is exempt from taxation on non-trading income in terms Section 10(1)(cN) of the Income Tax Act.

1.6 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 cash-generating 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 deficit been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.7 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 non-monetary benefits such as medical care), is recognised in the period in which the service is rendered and is not discounted.

1.8 Revenue

Revenue is earned from funding received from foundations, donors and through trading income. Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable per the funding agreements.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Funding from donors that is unspent at year end is considered to be payables where agreements are in place in line with this policy. If no agreement is in place, the funding is recognised the year it is received.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of value-added tax.

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ACCOUNTING POLICIES

1.9 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in the functional currency of the company, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand 2017 2016

2. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	156 032	(104 906)	51 126	145 505	(72 676)	72 829
Leasehold improvements	19 485	(5 953)	13 532	-	-	-
Telephone equipment	43 766	(5 106)	38 660	-	-	-
Total	219 283	(115 965)	103 318	145 505	(72 676)	72 829

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Closing balance
Computer equipment	72 829	19 297	(41 000)	51 126
Leasehold improvements	-	19 485	(5 953)	13 532
Telephone equipment	-	43 766	(5 106)	38 660
	72 829	82 548	(52 059)	103 318

3. INTANGIBLE ASSETS

	2017			2016		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Website	23 000	-	23 000	5 500	-	5 500

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Closing balance
Website	5 500	17 500	23 000

4. TRADE AND OTHER RECEIVABLES

Deposits	112 679	11 200
Donor receivable - Claude Leon Foundation	42 799	-
Other receivables	33 827	2 365
Staff loans	2 000	-
Trade receivables	-	323 383
Value-added tax	47 578	10 497
	238 883	347 445

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2017	2016
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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	569	44
Bank balances	139 767	294 130
Short-term deposits	1 941 380	1 229 928
Credit card balances	(31 067)	(18 834)
	2 050 649	1 505 268
Current assets	2 081 716	1 524 102
Current liabilities	(31 067)	(18 834)
	2 050 649	1 505 268

6. TRADE AND OTHER PAYABLES

Trade payables	246 259	115 807
Trade payables - Bertha Foundation	-	51 433
Trade payables - Claude Leon Foundation	-	115 920
Trade payables - Millennium Trust	-	74 980
Trade payables - Open Society Foundation of South Africa	-	47 393
Trade payables - Open Society Initiative for Southern Africa	73 272	-
Trade payables - Raith Foundation	1 676	53 538
Trade payables - Social Justice Initiative	181 580	279 780
Accrued expenses	156 462	195 124
Accrued leave pay	415 952	270 073
	1 075 201	1 204 048

7. FOUNDATIONAL GRANTS

Funding - Bertha Foundation	651 432	571 744
Funding - Claude Leon Foundation	658 718	900 713
Funding - Open Society Foundation for South Africa	2 000 000	1 202 607
Funding - Open Society Initiative for Southern Africa	628 944	336 793
Funding - Millennium Trust	1 974 980	1 307 542
Funding - Raith Foundation	925 717	786 500
Funding - Social Justice Initiative	98 200	20 220
	6 937 991	5 126 119

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Figures in Rand	2017	2016
8. OPERATING SURPLUS		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	159 432	140 645
Depreciation on property, plant and equipment	52 059	27 732
Employee costs	5 317 986	5 099 601
Fees - compliance services	306 864	163 057
Fees - story specialists	67 648	194 070
Legal expenses - advocacy	544 852	864 510
Travel - local	220 330	314 814
9. INTEREST INCOME		
Bank	217 442	137 674
Interest - trading	-	47 132
	217 442	184 806
10. TAXATION		
Major components of the tax income		
Current		
Adjustment in respect of retrospective exempt status granted	-	(211 230)
Deferred		
Originating and reversing temporary differences	-	70 550
	-	(140 680)
The company obtained Public Benefit Organisation status in terms of section 10(1)(cN) during the prior year.		
11. CASH GENERATED FROM OPERATIONS		
Surplus before taxation	613 655	334 465
Adjustments for:		
Depreciation	52 059	27 732
Interest received	(217 442)	(184 806)
Interest paid	722	743
Changes in working capital:		
Trade and other receivables	108 562	268 702
Trade and other payables	(128 847)	(284 252)
	428 709	162 584

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12. DIRECTORS' REMUNERATION

Executive

2017

	Emoluments	Total
S C Brümmer	934 648	934 648
S P Sole	934 648	934 648
	1 869 296	1 869 296

2016

	Emoluments	Total
S C Brümmer	880 843	880 843
S P Sole	880 843	880 843
	1 761 686	1 761 686

13. COMMITMENTS

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	135 447	14 718
- in second to fifth year inclusive	141 828	-
	277 275	14 718

Operating lease payments represent rentals payable by the company for its office premises. Leases are negotiated for an average term of three years. No contingent rent is payable.

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14. RELATED PARTIES

Relationships

Common director/senior management (2016) M & G Media Limited
 A M Quintal resigned as a manager of M & G Media Limited in the previous year.

Related party balances

Amounts included in trade and other receivables

M & G Media Limited	-	323 386
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Related party transactions

Revenue received

M & G Media Limited	-	2 396 280
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Rent paid

M & G Media Limited	-	140 645
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Office support paid

M & G Media Limited	-	256 390
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Telephone and fax paid

M & G Media Limited	-	74 439
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Staff scheme contributions paid

M & G Media Limited	-	288 791
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Interest received

M & G Media Limited	-	47 132
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15. PRIOR PERIOD ERROR

The company attained Public Benefit Organisation status in the prior year. Income tax previously paid, deemed receivable, was erroneously overstated by R142 613. The comparative amounts have been adjusted and the correction of the error results in adjustments as follows:

Statement of Financial Position

Current tax receivable	-	(142 613)
Opening retained earnings	(142 613)	-

Surplus or Deficit

Other income	-	(142 613)
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16. FINANCIAL INSTRUMENTS BY CATEGORY

2017

	Financial assets - loans and receivables	Financial liabilities at amortised cost	Total
Trade and other receivables	191 305	-	191 305
Cash and cash equivalents	2 081 716	-	2 081 716
Trade and other payables	-	(1 075 201)	(1 075 201)
Credit card balances	-	(31 067)	(31 067)
	2 273 021	(1 106 268)	1 166 753

2016

	Financial assets - loans and receivables	Financial liabilities at amortised cost	Total
Trade and other receivables	336 948	-	336 948
Cash and cash equivalents	1 524 102	-	1 524 102
Trade and other payables	-	(1 204 048)	(1 204 048)
Credit card balances	-	(18 834)	(18 834)
	1 861 050	(1 222 882)	638 168

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DETAILED INCOME STATEMENT

Figures in Rand	2017	2016
FOUNDATIONAL GRANTS		
Funding - Bertha Foundation	651 432	571 744
Funding - Claude Leon Foundation	658 718	900 713
Funding - Millennium Trust	1 974 980	1 307 542
Funding - Open Society Foundation for South Africa	2 000 000	1 202 607
Funding - Open Society Initiative for Southern Africa	628 944	336 793
Funding - Raith Foundation	925 717	786 500
Funding - Social Justice Initiative	98 200	20 220
	6 937 991	5 126 119
OTHER INCOME		
Donations income	819 695	-
Interest received	217 442	184 806
Other income	16	176 049
Trading income	-	2 396 280
	1 037 153	2 757 135
Operating expenses (Refer to page 23)	(7 360 767)	(7 548 046)
Operating surplus	614 377	335 208
Interest expense	(722)	(743)
Surplus before taxation	613 655	334 465
Taxation	-	140 680
Surplus for the year	613 655	475 145

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DETAILED INCOME STATEMENT

Figures in Rand	2017	2016
OPERATING EXPENSES		
Auditor's remuneration	75 000	80 000
Computer expenses	47 493	14 339
Depreciation	52 059	27 732
Digital outsourcing	5 700	14 720
Employee costs	5 317 986	5 099 801
Entertainment - reciprocals	26 727	22 581
Fees - compliance services	306 864	163 057
Fees - story specialists	67 648	194 070
Fees - training	10 100	40 913
Given Gain transaction fees	25 526	-
Lease rentals	139 179	-
Legal expenses - advocacy	544 852	864 510
Legal expenses - publication	44 470	-
M & G lease rentals	20 253	140 645
M & G office support	28 306	256 390
M & G telephone and fax	10 719	74 439
Miscellaneous expenses	37 504	35 943
Office subscriptions	33 865	-
Office support	-	4 716
Postage	4 881	-
Printing and stationery	18 842	-
Repairs and maintenance	26 838	-
Searches	71 309	83 445
Small asset expenses	37 934	10 802
Staff welfare	1 473	-
Telephone and fax	76 713	41 772
Travel - local	220 330	314 814
Travel - overseas	10 291	-
Travel - SADC	65 530	83 557
VAT unrecoverable	30 495	-
Venue hire	1 880	-
	7 360 767	7 548 046