Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial statements
for the year ended 31 December 2016

These financial statements were prepared by:
Molefe Thangoane
Financial Manager

O.M.A Chartered Accountant Incorporated
Chartered Accountants (S.A.)
Registered Auditors
These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Issued 31 May 2017

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	To fully represent, promote and express the interests of the Southern African independent and grass roots print media publishers and to add value to the members so as to maintain profitable and suitable business.
Directors	M Dhlomo LC Vale S Makgobatlou TR Nkosi F Maseko M Mkhize P Mosetlhe W Fana PJ Rudolph D Ntsanwisi A Mokhwae
Business address	69 Kingsway Avenue Ground Floor Media Park Auckland Park 2092
Postal address	Suite 36 Private Bag X9 Melville 2109
Bankers	The Standard Bank of South Africa Limited
Auditor's	O.M.A Chartered Accountant Incorporated Chartered Accountants (S.A.) Registered Auditors Member firm
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were independently compiled by: Molefe Thangoane Financial Manager

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

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard 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 control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets 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 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 31 December 2017 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor's and their report is presented on page 4.

The financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the board on 31 May 2017 and were signed on its behalf by:

Approval of financial statements

Director	**Director**

31 May 2017

Independent Auditor's Report

To the management of Association of Independent Publishers NPC

Opinion

We have audited the Financial Statements of Association of Independent Publishers NPC set out on pages 7 to 14, which comprise the Statement of Financial Position as at 31 December 2016, and the Statement of Comprehensive Income, Statement of Changes in Equity 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, the Financial Statements present fairly, in all material respects, the financial position of Association of Independent Publishers NPC as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

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 Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA 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 IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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' Report as required by the Companies Act 71 of 2008, 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 International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, 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.

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Independent Auditor's Report

O.M.A Chartered Accountant Incorporated
Osman Moosa
Partner
Chartered Accountants (S.A.)
Registered Auditors
Member firm

31 May 2017

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Association of Independent Publishers NPC and its associates for the year ended 31 December 2016.

1. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

2. Directors

The directors in office at the date of this report are as follows:

Directors	
M Dhlomo	President
LC Vale	Executive director
S Makgobatlou	
TR Nkosi	
F Maseko	
M Mkhize	
P Mosetlhe	
W Fana	
PJ Rudolph	
D Ntsanwisi	
A Mokhwae	

There have been no changes to the directorate for the period under review.

3. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 December 2016 the company's investment in property, plant and equipment amounted to R10 290 (2015:R9 254), of which R7 499 (2015: R6 358) was added in the current year through additions.

4. 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.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

O.M.A Chartered Accountant Incorporated continued in office as auditors for the company for 2016.

Statement of Financial Position as at 31 December 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	10 290	9 254
Current Assets			
Trade and other receivables	3	69 601	64 500
Cash and cash equivalents	4	1 200 419	720 559
		1 270 020	**785 059**
Total Assets		**1 280 310**	**794 313**
Surplus and Liabilities			
Surplus			
Accumulated surplus		1 121 578	708 572
Liabilities			
Current Liabilities			
Trade and other payables	5	99 834	39 131
Provisions	6	58 898	46 610
		158 732	**85 741**
Total Surplus and Liabilities		**1 280 310**	**794 313**

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Sponsorships	7	2 849 859	1 766 210
Other income		200 000	26 983
Operating expenses		(2 660 575)	(1 978 857)
Operating profit (loss)	8	**389 284**	**(185 664)**
Investment revenue	9	23 722	30 299
Profit (loss) for the year		**413 006**	**(155 365)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**413 006**	**(155 365)**

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total surplus
Balance at 01 January 2015	**863 937**	**863 937**
Loss for the year	(155 365)	(155 365)
Surplus / (Deficit) for the year	-	-
Total comprehensive loss for the year	**(155 365)**	**(155 365)**
Balance at 01 January 2016	**708 572**	**708 572**
Profit for the year	413 006	413 006
Surplus / (Deficit) for the year	-	-
Total comprehensive income for the year	**413 006**	**413 006**
Balance at 31 December 2016	**1 121 578**	**1 121 578**

Note(s)

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from (used in) operations	10	463 637	(240 388)
Interest income		23 722	30 299
Tax received	11	-	143 353
Net cash from operating activities		**487 359**	**(66 736)**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(7 499)	(6 358)
Sale of property, plant and equipment	2	-	6 790
Net cash from investing activities		**(7 499)**	**432**
Total cash movement for the year		**479 860**	**(66 304)**
Cash at the beginning of the year		720 559	786 864
Total cash at end of the year	4	**1 200 419**	**720 560**

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The 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 Revenue recognition

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

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, or for rental to others or for administrative purposes; and are expected to be used during more than one period.

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

Cost 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 as follows:

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the 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 only where there is an indication that there has been a significant change from the previous estimate.

1.3 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of 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 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 there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Accounting Policies

1.4 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss 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 profit or loss.

1.5 Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.6 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

Sponsoships are recognised when actually recieved.

1.7 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

Figures in Rand	2016	2015

2. Property, plant and equipment

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
IT equipment	9 254	7 499	(6 463)	10 290

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
IT equipment	15 524	6 358	(6 790)	(5 838)	9 254

3. Trade and other receivables

	2016	2015
Trade receivables	45 000	-
Prepayments	24 601	64 500
	69 601	**64 500**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2016	2015
Cash on hand	25	1 425
Bank balances	1 200 394	719 134
	1 200 419	**720 559**

5. Trade and other payables

	2016	2015
Trade payables	99 834	39 131

6. Provisions

Reconciliation of provisions - 2016

	Opening balance	Additions	Total
Leave pay	46 610	12 288	58 898

Reconciliation of provisions - 2015

	Opening balance	Additions	Total
Leave pay	41 784	4 826	46 610

7. Revenue

	2016	2015
FP&M SETA Sponsorship	775 320	288 960
Times Media Sponsorship	1 000 000	1 000 000
Paarl Media	-	26 500
AIP National conference	945 000	-
Media24 Sponsorship	129 539	450 750
	2 849 859	**1 766 210**

Notes to the Financial Statements

Figures in Rand	2016	2015

8. Operating profit (loss)

Operating profit (loss) for the year is stated after accounting for the following:

Depreciation on property, plant and equipment	6 463	5 838
Employee costs - breakdown below	777 856	232 220
Employee costs general	222 500	-
Employee costs Times Media	555 356	-

9. Investment revenue

Interest revenue		
Bank	23 722	30 299

10. Cash generated from (used in) operations

Profit (loss) before taxation	413 006	(155 365)
Adjustments for:		
Depreciation and amortisation	6 463	5 838
Interest received	(23 722)	(30 299)
Movements in provisions	12 288	4 826
Changes in working capital:		
Trade and other receivables	(5 101)	35 499
Trade and other payables	60 703	(100 887)
	463 637	**(240 388)**

11. Tax refunded

Balance at beginning of the year	-	143 353

Detailed Income Statement

Figures in Rand	Note(s)	2016	2015
Revenue			
Sponsorships		2 849 859	1 766 210
Other income			
Sundry income		200 000	26 983
Interest received	9	23 722	30 299
		223 722	**57 282**
Operating expenses			
Advertising		-	(798)
Auditors remuneration		(30 226)	(28 984)
Awards		(63 900)	-
Bank charges		(6 284)	(2 573)
Conferences and meetings		(726 477)	(199 475)
Consulting fees		(91 257)	-
Courier and postage		(2 003)	(1 120)
Depreciation		(6 463)	(5 838)
Employee costs		(777 856)	(232 220)
Insurance		-	(2 512)
Levies and leasing and printing		(8 571)	-
MDDA expenses		(600 454)	-
Media24 expenses		-	(260 053)
Minor assets expensed		-	(6 790)
National Lotteries Board		-	(360 066)
Paarl Media expenses		-	(7 500)
Press Ombudsman fee		-	(7 032)
Printing and stationery		(7 188)	(26 156)
Repairs and maintenance		-	(52)
Sundry expenses		(8 211)	-
Telephone and fax		(9 239)	(13 477)
Times Media expenses		(300 894)	(813 559)
Training		(9 463)	-
Travel - local		(12 089)	(10 652)
		(2 660 575)	**(1 978 857)**
Profit (loss) for the year		**413 006**	**(155 365)**