

Financial statements  
for the year ended 31 December 2017

These financial statements were prepared by:  
Molefe Thangoane  
Financial Manager

O.M.A Chartered Accountants 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 14 March 2018

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	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.
<b>Directors</b>	M Dhlomo LC Vale S Makgobatlou TR Nkosi F Maseko M Mkhize P Moseitlhe W Fana PJ Rudolph D Ntsanwisi A Mokhwa
<b>Business address</b>	69 Kingsway Avenue Ground Floor Media Park Auckland Park 2092
<b>Postal address</b>	Suite 36 Private Bag X9 Melville 2109
<b>Bankers</b>	The Standard Bank of South Africa Limited
<b>Auditor's</b>	O.M.A Chartered Accountants Incorporated Chartered Accountants (S.A.) Registered Auditors
<b>Level of assurance</b>	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
<b>Preparer</b>	The financial statements were independently compiled by: Molefe Thangoane Financial Manager

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# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

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## Directors' Responsibilities and Approval

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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 2018 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 14 March 2018 and were signed on its behalf by:

### Approval of financial statements



Director

14 March 2018

  
Director



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## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS 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 2017, and the statement of profit or loss and other 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 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 Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) 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 director is responsible for the other information. The other information comprises the Director's Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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 Director for the Financial Statements

The director is 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 director 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of

accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

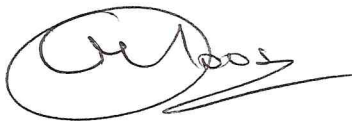
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional 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 director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director 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.



**O.M.A Chartered Accountants Incorporated**  
**Osman Moosa**  
**Director**  
**Registered Auditor**  
**14 March 2018**



# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Directors' Report

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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 2017.

### 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:

<b>Directors</b>	
<b><i>M Dhlomo</i></b>	President
<b><i>LC Vale</i></b>	Executive director
<b><i>S Makgobatlou</i></b>	
<b><i>TR Nkosi</i></b>	
<b><i>F Maseko</i></b>	
<b><i>M Mkhize</i></b>	
<b><i>P Moseitlhe</i></b>	
<b><i>W Fana</i></b>	
<b><i>PJ Rudolph</i></b>	
<b><i>D Ntsanwisi</i></b>	
<b><i>A Mokhwae</i></b>	

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 2017 the company's investment in property, plant and equipment amounted to R15 311 (2016:R10 290), of which R11 967 (2016: R7 499) 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 Accountants Incorporated continued in office as auditors for the company for 2017.

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Statement of Financial Position as at 31 December 2017

Figures in Rand	Note(s)	2017	2016
<b>Assets</b>			
Non-Current Assets			
Property, plant and equipment	2	15 311	10 290
Current Assets			
Trade and other receivables	3	785	69 601
Cash and cash equivalents	4	545 005	1 200 419
		<b>545 790</b>	<b>1 270 020</b>
<b>Total Assets</b>		<b>561 101</b>	<b>1 280 310</b>
<b>Surplus and Liabilities</b>			
<b>Surplus</b>			
Accumulated surplus		406 045	1 121 577
<b>Liabilities</b>			
Current Liabilities			
Trade and other payables	5	96 158	99 835
Provisions	6	58 898	58 898
		<b>155 056</b>	<b>158 733</b>
<b>Total Surplus and Liabilities</b>		<b>561 101</b>	<b>1 280 310</b>



# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Sponsorships	7	2 239 305	2 849 859
Other income		266 526	200 000
Operating expenses		(3 245 998)	(2 660 575)
<b>Operating (loss) profit</b>	8	<b>(740 167)</b>	<b>389 284</b>
Investment revenue	9	24 635	23 722
<b>(Loss) profit for the year</b>		<b>(715 532)</b>	<b>413 006</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(715 532)</b>	<b>413 006</b>

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total surplus
<b>Balance at 01 January 2016</b>	<b>708 571</b>	<b>708 571</b>
Profit for the year	413 006	413 006
Surplus / (Deficit) for the year	-	-
<b>Total comprehensive income for the year</b>	<b>413 006</b>	<b>413 006</b>
<b>Balance at 01 January 2017</b>	<b>1 121 577</b>	<b>1 121 577</b>
Loss for the year	(715 532)	(715 532)
Surplus / (Deficit) for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(715 532)</b>	<b>(715 532)</b>
<b>Balance at 31 December 2017</b>	<b>406 045</b>	<b>406 045</b>

Note(s)

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	10	(668 082)	463 636
Interest income		24 635	23 722
<b>Net cash from operating activities</b>		<b>(643 447)</b>	<b>487 358</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(11 967)	(7 499)
<b>Total cash movement for the year</b>		<b>(655 414)</b>	<b>479 859</b>
Cash at the beginning of the year		1 200 419	720 559
<b>Total cash at end of the year</b>	4	<b>545 005</b>	<b>1 200 418</b>

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Accounting Policies

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### 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:

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

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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.



# Association of Independent Publishers NPC

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Financial Statements for the year ended 31 December 2017

## Accounting Policies

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### 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 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

### 1.6 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.

### 1.7 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.

Sponsorships are recognised when actually received.

### 1.8 Borrowing costs

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

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Notes to the Financial Statements

Figures in Rand

2017

2016

### 2. Property, plant and equipment

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
IT equipment	10 290	11 967	(6 946)	15 311

#### Reconciliation of property, plant and equipment - 2016

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

### 3. Trade and other receivables

Trade receivables			785	45 000
Prepayments			-	24 601
			<b>785</b>	<b>69 601</b>

### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand			123	25
Bank balances			544 882	1 200 394
			<b>545 005</b>	<b>1 200 419</b>

### 5. Trade and other payables

Trade payables			96 158	99 835
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### 6. Provisions

#### Reconciliation of provisions - 2017

	Opening balance	Total
Leave pay	58 898	58 898

#### Reconciliation of provisions - 2016

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

# Association of Independent Publishers NPC

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Financial Statements for the year ended 31 December 2017

## Notes to the Financial Statements

Figures in Rand	2017	2016
<b>7. Revenue</b>		
FP&M SETA Sponsorship	512 820	775 320
Times Media Sponsorship	1 000 000	1 000 000
Paarl Media	15 000	-
AIP National conference	-	945 000
MDDA Sponsorship	345 115	-
Media24 Sponsorship	21 255	129 539
National Lotteries Board	345 115	-
	<b>2 239 305</b>	<b>2 849 859</b>
<b>8. Operating (loss) profit</b>		
Operating (loss) profit for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	6 946	6 463
Employee costs - breakdown below	1 068 093	777 856
Employee costs general	338 502	222 500
Employee costs Times Media	548 092	555 356
Employee costs Sydicatuion	181 500	-
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	24 635	23 722
<b>10. Cash (used in) generated from operations</b>		
(Loss) profit before taxation	(715 532)	413 006
<b>Adjustments for:</b>		
Depreciation and amortisation	6 946	6 463
Interest received	(24 635)	(23 722)
Movements in provisions	-	12 288
<b>Changes in working capital:</b>		
Trade and other receivables	68 816	(5 101)
Trade and other payables	(3 677)	60 702
	<b>(668 082)</b>	<b>463 636</b>

# Association of Independent Publishers NPC

(Registration number 2005/039586/08)

Financial Statements for the year ended 31 December 2017

## Detailed Income Statement

Figures in Rand	Note(s)	2017	2016
<b>Revenue</b>			
Sponsorships		2 239 305	2 849 859
<b>Other income</b>			
Sundry income		266 526	200 000
Interest received	9	24 635	23 722
		<b>291 161</b>	<b>223 722</b>
<b>Operating expenses</b>			
Auditors remuneration		(29 440)	(30 226)
Awards		-	(63 900)
Bank charges		(15 128)	(6 284)
Conferences and meetings		(183 580)	(726 477)
Consulting fees		(120 342)	(91 257)
Courier and postage		(7 355)	(2 003)
Depreciation		(6 946)	(6 463)
Employee costs		(1 068 093)	(777 856)
Gifts		(42 679)	-
Levies and leasing and printing		(14 799)	(8 571)
MDDA expenses		-	(600 454)
Media24 expenses		(15 913)	-
Printing and stationery		(6 953)	(7 188)
Report design		(49 438)	-
SARS - Interest and penalties		(3 032)	-
Subscriptions		(63 607)	-
Sundry expenses		(5 546)	(8 211)
Take-sele stories		(111 950)	-
Telephone and fax		(17 220)	(9 239)
Times Media expenses		(174 146)	(300 894)
Training		-	(9 463)
Travel - local		(1 309 831)	(12 089)
		<b>(3 245 998)</b>	<b>(2 660 575)</b>
<b>(Loss) profit for the year</b>		<b>(715 532)</b>	<b>413 006</b>