

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

**Incorporated in the Republic of South Africa  
(Registration No. 2005/039586/08)**

**AUDITED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

**Registration No. 2005/039586/08**

Financial Statements for the year ended 31 December 2020

**General Information**

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<b>Nature of business and principal activities</b>	To fully represent, promote and express the interests of 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>	W Fana (Chairperson) D Ntsanwisi A Mokhwae P Lategan F Maseko S Makgobatlou O Hlungwani Sheila Mhlongo Simon Mboleka Mduduzi Nkosi C Mohlala ( Executive Director)
<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>Company registration number</b>	2005/039586/08
<b>Accounting Officers</b>	N. Zengethwa and Associates Business Consultants (Pty) Ltd Professional Accountants (S.A)
<b>Auditors</b>	Mark Vorster - Chartered Accountant
<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: Mr Molefe Thangoane Financial Manager

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The reports and statements set out below comprise the financial statements presented to the NPC Governing Body:

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**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

**Company registration No. 2005/039586/08**

Financial Statements for the year ended 31 December 2020

**Director's Responsibilities and Approval**

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The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related 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 International Financial Reporting Standards. 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 standards 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 of directors sets standards for internal control aimed at reducing the risk of error or loss in an 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.

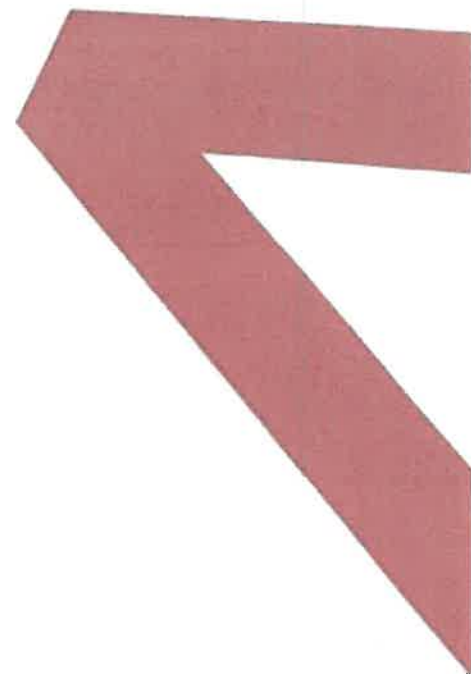
The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 6 to 12, which have been prepared on the going basis, were approved by the board of directors on the 22 February 2021 and were signed on their behalf by:



Director



## Independent Auditor's Report

**TO: THE DIRECTORS OF ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

### OPINION

We have audited the 2020 annual financial statements of Association of Independent Publishers NPC as set out on pages 9 to 17, which comprises the statement of financial position as at 31 December 2020, the statements of other comprehensive Income, the statement of changes in equity, the statements of cash flows for the year then ended, and the accounting policies for Association of Independent Publishers NPC, notes to the annual financial statements.

In our opinion, the financial statements present fairly in accordance with 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 Standard on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual 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 (Part A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER MATTERS

1. The annual financial statements of Association of Independent Publishers NPC for the year ended 31 December 2020 was audited by us and this was the first time these financial statements were audited by Basic Accounting Solutions.
2. The next set of annual financial statements to be audited will be audited for the period ending 31 December 2020.



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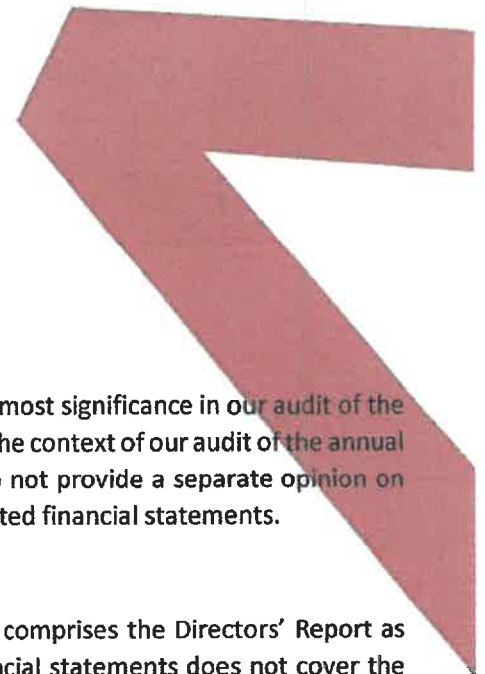
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East London, 5247

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### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current year. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters apply to all aspects of the audited consolidated financial statements.

### 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. Our opinion on the annual 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 company's financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with audited 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 concluded 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 Standards 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 annual 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 to cease operating, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the annual 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 considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated and separate financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.



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We also:

- Identify and assess the risk of material misstatement of the annual 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 results 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 consolidated and separate 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 that are currently unknown may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements including the disclosures, and whether the annual financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion. We communicate with the company's accounting office which also takes care of the internal controls of the business, 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.



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We also provide the accountants with a statement that we have compiled with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated to the accountants, we determine that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Basic Accounting Solutions has been the auditor of Association of Independent Publishers NPC from 23 January 2021.

**Mark Jonathan Vorster CA(SA)**

**IRBA Firm Registration Number: 988174**

**Auditor IRBA Registration Number: 503845**

**21 February 2021**



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**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**  
**Registration No. 2005/039586/08**  
Financial Statements for the year ended 31 December 2020

**Statement of Financial Position**

Figures in Rand	Notes	2020	2019
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property plant and equipment	2	20 116	18 437
<b>Current Assets</b>			
Trade and other receivables	3	247 424	503 585
Cash and cash equivalents	4	6 951	26 725
<b>Total Assets</b>		<b>274 491</b>	<b>548 747</b>
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Retained profit/ (Loss)		87 089	452 393
		87 089	452 393
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	187 402	96 354
<b>Total Liabilities</b>		<b>187 402</b>	<b>96 354</b>
<b>Total Equity and Liabilities</b>		<b>274 491</b>	<b>548 747</b>

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

**Registration No. 2005/039586/08**

Financial Statements for the year ended 31 December 2020

**Statement of Financial Performance**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Sponsorships	6	-	1 000 000
Other income		1 214 365	1 704 666
Operating expenses		-1 579 669	-2 643 749
<b>Operating profit/ (loss)</b>	7	<b>-365 304</b>	<b>60 917</b>
Investment revenue	8	4 365	8 461
<b>Profit/ (Loss) for the year</b>		<b>-360 939</b>	<b>69 378</b>

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

**Registration No. 2005/039586/08**

Financial Statements for the year ended 31 December 2020

**Statement of Change in Equity**

Figures in Rand

	<b>Accumuated Profit/ (Loss)</b>	<b>Total Equity</b>
<b>Balance at 31 December 2019</b>	<b>452 393</b>	<b>452 393</b>
Change in Equity	-	-
Profit/(loss) for the year	-365 304	-365 304
<b>Balance at 31 December 2020</b>	<b>87 089</b>	<b>87 089</b>

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**  
**Registration No. 2005/039586/08**  
**Financial Statements for the year ended 31 December 2020**

**Cash Flow Statement**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	9	-8 141	-87 519
Interest received		4 365	8 461
<b>Net cash from operating activities</b>		<b>-3 776</b>	<b>-79 058</b>
Working capital changes		-	-157 696
<b>Cash flows from Investing activities</b>			
Acquisition property, plant and equipment	2	-15 998	-
<b>Total cash movement for the year</b>		<b>-19 774</b>	<b>-236 754</b>
Cash at the beginning of the year		26 725	263 479
<b>Tota cash at end of the year</b>	<b>3</b>	<b>6 951</b>	<b>26 725</b>

## ASSOCIATION OF INDEPENDENT PUBLISHERS NPC

Registration No. 2005/039586/08

Financial Statements for the year ended 31 December 2020

### 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

These accounting policies are consistent with the previous period.

##### 1.1 Revenue recognition

###### Critical judgements in applying accounting policies

Management did not make critical judgments 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.

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 items will flow to the company; and
- the cost of the items can be measured reliably.

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.

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

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years
Office equipment	Straight line	4 years

The residual value and the useful life of each asset are reviewed at each financial period-end.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

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Financial Statements for the year ended 31 December 2020

**Accounting Policies**

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**Figures in Rand**

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another assets.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**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.

**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 effected 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.

**Accounting Policies**

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Figures in Rand

**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 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

Sponsorship are recognised when actually received

**1.7 Borrowing costs**

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

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

Registration No. 2005/039586/08

Financial Statements for the year ended 31 December 2020

**Notes to the Financial Statements**

Figures in Rand

					2020	2019
					R	R
<b>2. Property Plant and Equipment</b>						
			<b>31 Dec 20</b>			<b>31 Dec 19</b>
	<b>Cost</b>	<b>Accumulated depreciated</b>	<b>Carrying value</b>	<b>Cost</b>	<b>Accumulated depreciated</b>	<b>Carrying value</b>
Office equipment	6 289	-3 256	3 033	6 289	-1 998	4 291
IT Equipment	78 296	-61 213	17 083	62 298	-48 152	14 146
<b>Total</b>	<b>84 585</b>	<b>-64 468</b>	<b>20 116</b>	<b>68 587</b>	<b>-50 150</b>	<b>18 437</b>

Reconciliation of property, plant and equipment - 2020

	<b>Opening balance</b>	<b>Additions</b>	<b>Depreciation</b>	<b>Accumulated Depreciation</b>	<b>Total</b>
Office equipment	6 289	-	-1 259	-3 256	3 033
IT equipment	62 298	15 998	-12 397	-61 213	17 083
	68 587	15 998	-13 656	-64 468	20 116

**3. Trade and other receivables**

Trade receivables	243 585	505 585
Deposit	3 839	-
	<b>247 424</b>	<b>505 585</b>

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	2 727	727
Bank balances	4 225	25 998
	<b>6 952</b>	<b>26 725</b>

**5. Trade and other payables**

Trade payables	99 768	5 789
Accrual for leave pay	87 635	90 565
	<b>187 403</b>	<b>96 354</b>



**Notes to the Financial Statements**

Figures in Rand

	<b>2020</b>	<b>2019</b>
	<b>R</b>	<b>R</b>
<b>6. Revenue</b>		
FP&M SETA Sponsorship		-
Tiso Blackstar	-	<b>1 000 000</b>
AIP National conference	-	-
Media24 Sponsorship	-	-
	<u>-</u>	<u><b>1 000 000</b></u>
<b>7. Operating loss</b>		
Operating loss for the year is stated after accounting for the following:		
Depreciation on property, plant and equipment	14 319	13 655
Employee costs - breakdown below	798 710	968 551
Employee costs general	798 710	968 551
Employee costs Tiso Blackstar	-	-
Employee costs Syndication	-	-
	<u><b>1 611 739</b></u>	<u><b>1 950 757</b></u>
<b>8. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	4 365	8 461
	<u><b>4 365</b></u>	<u><b>8 461</b></u>
<b>9. Cash used in operations</b>		
Loss before taxation	-365 304	60 916
<b>Adjustments for</b>		
Depreciation and amortisation	14 319	13 655
Interest received	-4 365	-8 461
Movements in provisions		
<b>Changes in working capital:</b>		
Trade and other receivables	256 160	-236 754
Trade and other payables	91 049	83 125
	<u>-8 141</u>	<u>-87 519</u>

**ASSOCIATION OF INDEPENDENT PUBLISHERS NPC**

Registration No. 2005/039586/08

Financial Statements for the year ended 31 December 2020

**Detailed Income Statement**

Figures in Rand	Notes	2020	2019
<b>Revenue</b>			
Sponsorships		-	1 000 000
<b>Other Income</b>			
Caxton		-	150 000
FP & M Seta		1 200 000	1 500 000
Interest received		4 365	8 461
Media 24		-	46 205
Sundry income		10 000	-
MDIF - Pocket reporter		-	-
Wits Investigative Journalism - Taco Kuiper		-	-
		<u>1 214 365</u>	<u>1 704 666</u>
<b>Gross income</b>		<b><u>1 214 365</u></b>	<b><u>2 704 666</u></b>
<b>Operating expenses</b>		<b>1 579 669</b>	<b>2 643 750</b>
Auditors remuneration		15 000	57 456
Bank charges		10 052	13 306
Computer expenses		9 752	7 185
Conferences and meetings		17 221	115 249
Consulting fees		110 446	147 524
Courier and postage		2 706	2 925
Depreciation and impairments		14 319	13 655
Employee costs		798 710	968 551
FP & M Seta Road & Airfares		47 582	243 171
FP & M Seta Workshop Accomodation		168 810	473 516
FP & M Seta Workshop Data		15 564	4 304
FP & M Seta Workshop Facilitation and Consulting		239 748	390 014
Insurance		15 251	9 758
Levies, leasing and printing		25 356	33 632
MDIF - Pocket Reporter		-	29 478
Printing and stationery		13 286	21 249
Subscriptions		22 854	34 821
Sundry expenses		8 347	628
Publication		3 750	10 000
Regional meetings		9 512	-
Telephone and fax		28 259	24 368
Travel - Local		3 144	42 960
Write off		-	-
<b>Profit/ loss for the year</b>		<b><u>-365 304</u></b>	<b><u>60 916</u></b>