

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**(NPO REGISTRATION NUMBER : 004 - 997 NPO)**

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

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

Annual Financial Statements for the year ended 31 March 2017

**General Information**

**Country of incorporation and domicile** South Africa

The object of the trust is to enhance the facilities of the Constitutional Court of the Republic of South Africa by -

**Nature of business and principal activities**

- providing opportunities for advancement, by employment by the Constitutional Court, to inexperienced lawyers, particularly those from groups under-represented in the legal profession of the Republic, provided that the trustees may, in their discretion make funds available for use by other courts in the Republic for similar purposes;
- augmenting the library and research facilities of the Constitutional Court; and
- providing other assistance to the Constitutional Court, which the trustees consider to be appropriate and in the public interest.

**Trustees** The following trustees held office for the year under review:-

**Name**

E Cameron	
MM Katz	JC Froneman
SV Khampepe	SP Kana
CME O'Regan	DI Bilchitz
KM Savage	PO Mokoena
JV van der Westhuizen	H Masondo - resigned during the year
MZ Yacoob	L Xaso - appointed during the year

**Legal form** Not-for-profit Trust

**Registration numbers** Trust registration IT3836/95  
NPO registration 004-997-NPO

**Registered office and business address**  
Constitutional Court Building  
1 Hospital Street  
Constitution Hill  
Braamfontein  
South Africa

**Website address** [concourtrust.org.za](http://concourtrust.org.za)

**Bankers** The Standard Bank of South Africa Ltd

**Preparer** The annual financial statements were internally prepared by Mrs Jeanette Kleu.

**Level of assurance** These annual financial statements have been audited independently in compliance with the Trust Deed.

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

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FOR THE YEAR ENDED 31 MARCH 2017**

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**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**TRUSTEES' RESPONSIBILITIES AND APPROVAL**

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

The trustees are required by the Trust Property Control Act, 1988, and the trust deed, 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 trust as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with its own accounting policies.

The external auditors are engaged to express an independent opinion on the financial statements. The financial statements are prepared in accordance with its own accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial controls established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets out 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 trust and employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimize it by ensuring that appropriate infrastructure, controls, system and ethical behaviour are applied and managed within predetermined procedures and constraint.

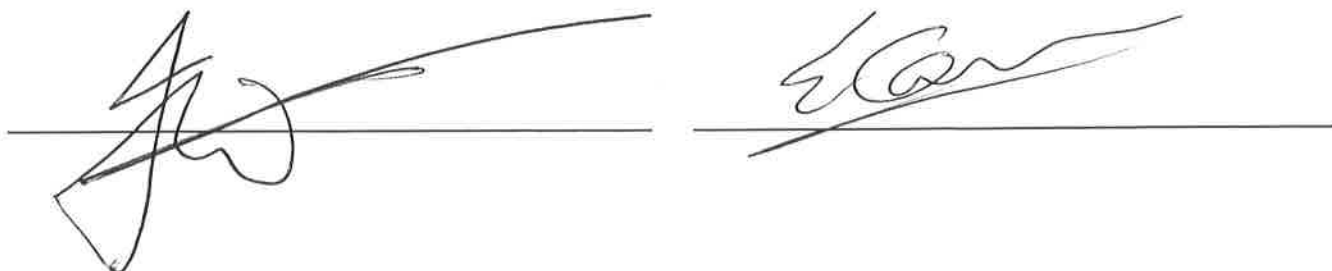
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the presentation of the financial statements. However, any system of internal financial control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

The trustees have reviewed the trust's cash flow forecast for the year to 31<sup>st</sup> March 2018 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board of trustees is primarily responsible for the financial affairs of the trust, it is supported by the trust's external auditors.

The external auditors are responsible for independently auditing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on pages 2 to 4.

The annual financial statements set out on pages 5 to 19 and the supporting schedules on pages 20 to 21, were approved by the board of trustees on the 16<sup>th</sup> August 2017 and were signed on its behalf by:





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BRAAMFONTEIN  
2017  
SOUTH AFRICA

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF**

### **THE CONSTITUTIONAL COURT TRUST (TRUST NUMBER 3836/95)**

#### **Opinion**

We have audited the financial statements of The Constitutional Court Trust, set out on pages 8 to 19, 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 financial year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements fairly present, in all material respects, the financial position of The Constitutional Court Trust as at 31 March 2017, and of its financial performance and its cash flows for year then ended in accordance with its accounting policies and the Trust Deed.

#### **Basis for Opinion**

In common with similar organisations, it is not feasible for the trust to institute accounting controls over collections of donations, prior to the initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

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 Trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), together with the ethical requirements that are relevant to our audit of financial statements in South Africa. We have fulfilled our other ethical requirements in accordance with these requirements and the IRBA Code. 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 Information**

The board of trustees is solely responsible for the other information, which comprises the Report of the Trustees and the Programme income statements for 2017 and 2016, set out on pages 5 to 7 and 20 to 21. The other information does not include the financial statements and our auditor's report 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 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 Management and Those Charged With Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with their accounting policies, the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Trust Deed, and for such internal control as management determines 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, management is responsible for assessing the trust'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 management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the trust's financial reporting process.

### **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 judgment 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 trust'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 trust 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the trust's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that we may identify during our audit.



**DC Douglas**  
**Douglas & Velcich**  
**Chartered Accountants (S.A.)**  
**Registered Accountants and Auditors**

**Johannesburg**  
**16 August 2017**

**Report of the Trustees**  
for the year ended 31 March 2017

**1. Introduction**

During the financial year 2016 - 2017 the Constitutional Court Trust continued to pursue its objectives, namely to enhance and further the activities of the Constitutional Court of South Africa and other courts in the region. It did this through various projects including administering the Ismail Mahomed and Franklin Thomas fellowships and managing the African Law Clerks Exchange Program with the Supreme Court of Kenya. The Trust owns and curates the artworks housed at the Court.

**2. Fellowships**

Two former law clerks completed Masters' programmes in the USA and two more were sent to commence in September 2016. Both fellowships are admitting excellent candidates. Racine Ramhurry was admitted to the Franklin Thomas fellowship for 2016 - 2017 and was accepted at University of Michigan Law to do an LLM degree. Lubumba Kamukwamba was admitted to the Ismail Mahomed fellowship for 2016 – 2017 and will participate in a LLM Masters' programme at Harvard Law School.

**3. African Law Clerks' Exchange**

The African law clerks exchange program had two Kenyan officers employed at the Constitutional Court in Braamfontein, and four South African law clerks took up reciprocal positions in Kenya.

The inbound officers were employed as law clerks and shared in all the responsibilities and opportunities offered to clerks of the Constitutional Court of South Africa. This involved active participation in researching jurisprudence, hearings of the Court, deliberations, and the writing of judgments.

Apart from a sharing of jurisprudence, the exchange is also resulting in a transfer of culture and methods, especially as these relate to the working relationship between the Judges and law clerks at the Supreme Court of Kenya.

This project is generously supported by the Ford Foundation, Bertha Foundation and OSF South Africa.

**5. Artworks Collection**

The artwork collection continues to grow with donations received by local and international artists and



court supporters both locally and abroad. The Trust owns the artworks collection at the Constitutional Court and holds it in trust. The collection includes works by artists such as Marlene Dumas, William Kentridge, Dumile Feni, Judith Mason, Willie Bester, Cecil Skotnes, Hamilton Budaza, Kim Berman, Sue Williamson, Anton van Wouw, John Baloyi, Andrew Verster and Marc Chagall.

The collection attracts many visitors to the Court and is a resource of national heritage and education. The Artworks Committee of the Court meets three or four times a year to consider matters related to the growth and use of the collection. Regular tours are conducted on the last Thursday of the month at 6 pm, and other tours by appointment.

During this financial year the Artworks project received generous donations from the US Foundation.

Melissa Goba was appointed as the curator of the Artworks program in October 2016.

## **6. Kindred bodies**

The South African Constitutional Court Trust in the United Kingdom (SACCT) and Friends of the South African Constitutional Court in the United States (FOSACC), were both established to support the work of the Constitutional Court. FOSACC has been dormant since the 2012 financial year. SACCT continues to administer the residue of the Rhodes Trust bequest and other funds. These bodies are independent of the Court and the Trust and of one another, with their own boards and administration.

## **7. Trustees**


At the end of the year under review, the Board of Trustees, as confirmed by the Master of the Supreme Court, comprised of Justice E. Cameron, Professor M.M. Katz, Justice S.V. Khampepe, Ms H. Masondo, Justice C.M.E. O'Regan, Justice K.M. Savage, Justice J.V. van der Westhuizen (chairperson), Justice M.Z. Yacoob, Justice J.C. Froneman, Dr S. Kana, Mr D.I. Bilchitz and Mr P.O. Mokoena. Ms H. Masondo resigned during the year and Ms L. Xaso was appointed as a new Trustee.

## **8. Administration of Trust**

Mrs Jeanette Kleu is the finance officer of the Trust and Ms Elizabeth Moloto continued to provide services as Trust administrator. Ms Shirley Glyn is the Trust Manager. The trustees note their gratitude to each of them for their dedication to the work of the Trust.

**9. Donors**

Once again, the board wishes to express its gratitude to all its donors, not only for the generous grants made to the Trust but also for their enthusiasm for and interest in its various projects. Without their support, the Trust would not be able to continue.



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J van der Westhuizen  
Chairperson

18-10-2017  
Date

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	Note	2017 R	2016 R
<b>ASSETS</b>		<b>12 021 521</b>	<b>10 738 084</b>
<b>Non current assets</b>		<b>8 860 540</b>	<b>9 994 503</b>
Equipment	3	1	1
Artworks	3	1	1
Investments	4	8 813 287	9 923 250
Accounts receivable	5	47 251	71 251
<b>Current assets</b>		<b>3 160 981</b>	<b>743 581</b>
Accounts receivable	5	37 150	56 627
Cash and cash equivalents	6	3 123 831	686 954
<b>TOTAL ASSETS</b>		<b>12 021 521</b>	<b>10 738 084</b>
<b>RESERVES AND LIABILITIES</b>		<b>12 021 521</b>	<b>10 738 084</b>
<b>Equity and reserves</b>		<b>8 610 198</b>	<b>9 864 444</b>
Trust capital		8 393 747	9 651 380
Operating reserve		216 451	213 064
<b>Current liabilities</b>		<b>3 411 323</b>	<b>873 640</b>
Accounts payable	7	-	-
Deferred grant income	8	3 411 323	873 640
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>12 021 521</b>	<b>10 738 084</b>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

**OPERATING FUND**

	Note	2017 R	2016 R
<b>Income</b>		<b>84 643</b>	<b>89 330</b>
Dividends received	4	3 581	4 843
Grants and donations	9	-	-
Interest received	10	77 224	38 643
Revaluation of investments	4	3 838	45 844
<b>Expenditure</b>		<b>(81 256)</b>	<b>(105 847)</b>
Audit fees		(15 915)	(19 272)
Bank charges		(10 140)	(11 433)
General expenses		(2 281)	(3 398)
Printing and stationery		(2 865)	(2 086)
Salaries and other contributions		(46 899)	(65 892)
Webhosting and computer expenses		(3 156)	(3 766)
<b>Surplus/(deficit) for the year</b>		<b>3 387</b>	<b>(16 517)</b>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017**

**PROJECT FUNDS**

	Note	2017 R	2016 R
<b>Income</b>		<b>1 018 629</b>	<b>2 709 538</b>
Grants and donations	9	837 927	1 157 322
Dividends received	4	3 581	4 843
Interest received	10	37 268	68 670
Revaluation of investments	4	139 853	61 825
Unrealised forex gain on US\$ investment		-	1 416 878
<b>Expenditure</b>		<b>(2 276 262)</b>	<b>(2 568 597)</b>
Administration fees		(116 147)	(128 095)
Advertising		(3 306)	(22 267)
Audit fees		(19 000)	(17 000)
Assets expensed directly		-	(19 947)
Bank charges		(14 898)	(24 296)
Clerks orientation		(5 600)	(9 988)
Consulting fees		-	(85 967)
Contingency expenses		(8 975)	(32 599)
Exhibition costs		(36 120)	-
General expenses		(955)	(3 077)
Insurance		(34 036)	(17 015)
Repairs and maintenance		(13 800)	(321 775)
Salaries and other contributions		(732 273)	(1 330 699)
Scholarships		(562 501)	(480 117)
Travel and accommodation		(4 530)	(50 489)
Unrealised forex loss on US\$ investment		(717 199)	-
Webhosting and computer expenses		(6 922)	(25 266)
<b>(Deficit)/surplus for the year</b>		<b>(1 257 633)</b>	<b>140 941</b>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**STATEMENT OF CHANGES IN THE TRUST  
CAPITAL AND RESERVES FOR THE YEAR  
ENDED 31 MARCH 2017**

	Trust capital R	Operating reserve R	Total R
<b>Balance at 31 March 2015</b>	<b>9 510 439</b>	<b>229 581</b>	<b>9 740 020</b>
Surplus on trust projects	140 941	-	140 941
(Deficit) on operating reserve	-	(16 517)	(16 517)
<b>Balance at 31 March 2016</b>	<b>9 651 380</b>	<b>213 064</b>	<b>9 864 444</b>
(Deficit) on trust projects	(1 257 633)	-	(1 257 633)
Surplus on operating reserve	-	3 387	3 387
<b>Balance at 31 March 2017</b>	<b>8 393 747</b>	<b>216 451</b>	<b>8 610 198</b>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**STATEMENT OF CASH FLOWS FOR  
THE YEAR ENDED 31 MARCH 2017**

	Note	2017 R	2016 R
<b>Cash flows from operating activities</b>			
Cash received from funders		3 375 610	886 025
Cash paid to suppliers, employees and projects		(1 596 842)	(3 974 036)
		<hr/>	<hr/>
<b>Cash generated from/(utilised in) operations</b>	<b>12</b>	<b>1 778 768</b>	<b>(3 088 011)</b>
Dividends received	4	7 162	9 686
Interest received	10	114 492	107 313
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1 900 422</b>	<b>(2 971 012)</b>
<b>Cash flows generated from investing activities</b>			
		<b>536 455</b>	<b>295 848</b>
Acquisition of and additions to investments	4	(44 545)	(45 548)
Proceeds from disposal of investments	4	581 000	341 396
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash resources</b>		<b>2 436 877</b>	<b>(2 675 164)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>686 954</b>	<b>3 362 118</b>
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>3 123 831</b>	<b>686 954</b>
		<hr/> <hr/>	<hr/> <hr/>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

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

**ACCOUNTING POLICIES**

**1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements are prepared on the historical cost basis, except for financial instruments, which are reflected at fair value. Policies applied include the following principal accounting policies which are consistent with those applied in the previous year :

**1.1 EQUIPMENT**

Equipment is reflected in the statement of financial position at nominal value, in accordance with a decision made by trustees with effect from the 2006/7 financial year. The trust acquires equipment with funds raised from donors, and trustees have taken the view that the accounting treatment adopted is more appropriate for a donor-funded organisation.

**1.2 ARTWORKS**

Although artworks acquired through purchase and donation are assets of the trust, they are reflected in the statement of financial position at nominal value, as the trustees are not at liberty to dispose of them.

**1.3 FINANCIAL INSTRUMENTS**

**Measurement**

Financial instruments carried on the statement of financial position include investments, bank balances, accounts receivable and accounts payable. Financial instruments are initially measured at cost as at trade date, which includes transaction costs. Subsequent to initial recognition, the following instruments are measured as set out below :-

**Investments**

Investments in financial assets are initially recognised at cost. Subsequently, financial assets are re-measured at fair value through profit and loss.

**Accounts receivable**

Accounts receivable are stated at cost less provision for impairment losses.

**Cash and cash equivalents**

Cash and cash equivalents are measured at fair value.

Cash and cash equivalents comprise cash on hand and demand deposits, and other deposits with maturities less than 12 months.

**Accounts payable**

Accounts payable are stated at actual invoiced value.



**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

**ACCOUNTING POLICIES (Continued)**

**1.4 PROVISIONS**

Provisions are recognised when the trust has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

**1.5 REVENUE**

**Grants and donations**

Grants and donations are generally accounted for in the year in which they are received. Where the donor contract explicitly makes allowance for retrospective expenditure, income will be accrued. Similarly, where donor funds are received in advance of the period specified by the contract, or in circumstances where funds received are earmarked for use in more than one year, the deferral of all or a portion of the donor funds will be processed.

**Dividends**

Dividends on invested funds are brought to account when reflected for by portfolio managers.

**Interest**

Interest is accounted for on the accrual basis.

**1.6 EXPENDITURE**

Expenditure is accounted for on the accrual basis.

**1.7 PROJECT INCOME AND EXPENDITURE**

In terms of its contractual obligations to donors, the trust's policy is to allocate project costs that are clearly identifiable as such directly against the donor funds. Where funding agreements permit, shared costs and income items other than grants are allocated between project funds on the basis of estimated activity within the individual projects.

**1.8 FOREIGN CURRENCIES**

Income accrued in a foreign currency is accounted for at the year-end exchange rate. Gains or losses resulting from the settlement of such accruals are recognised in the statement of comprehensive income for the operating reserve. Currency gains and losses related to project funds are recognised in the statement of comprehensive income for projects.

Foreign currency balances held at year end are translated at year-end exchange rates.

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

**2. FINANCIAL RISK MANAGEMENT**

**2.1 Financial risk factors**

The trust's activities could expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the trustee's financial performance.

Risk management is carried out by the trustees, who evaluate financial risks.

*(a) Market risk*

The trust is exposed to currency risk to the extent that some of its funds are invested off - shore.

*(b) Credit risk*

The trust's credit risk is attributable to investments, accounts receivable and liquid funds. The credit risk on liquid funds is limited because the counter parties are banks with credit ratings assigned by international credit-rating agencies. The risk relating to the trust's investments is dealt with through an ongoing review of the risk profile provided to the fund managers. The credit risk on the accounts receivable is considered to be insignificant as the majority of this balance relates to loans to students under the fellowship programmes and recovery of these amounts is monitored on a regular basis.

*(c) Liquidity risk*

The trust manages liquidity risk by monitoring forecast cash flows and ensuring that adequate reserves are maintained to meet anticipated obligations.

*(d) Cash flow and fair value interest rate risk*

The trust is exposed to interest rate risk, as it places funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rates and placings within market expectations.

**THE CONSTITUTIONAL COURT TRUST  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

	2017 R	2016 R
<b>3. EQUIPMENT AND ARTWORKS</b>		
Equipment - at nominal value	<u>1</u>	<u>1</u>
Artworks - at nominal value	<u>1</u>	<u>1</u>
<p>Trustees decided with effect from the 2006/7 year to write off costs incurred for additions to fixed assets and the artworks collection in the year of acquisition. The reason for this is that the trust is donor-funded and raises money specifically for the acquisition of such assets.</p> <p>It is the view of trustees that writing off such assets against funds raised by the trust is more appropriate than the conventional accounting treatment of capitalising and depreciating such assets.</p> <p>The trust will continue to maintain registers containing all necessary details of equipment and artworks acquired, as this is needed for control and insurance purposes. (Refer to note 14.)</p>		
<b>4. INVESTMENTS</b>		
<b>Opening balance</b>	<b>9 923 250</b>	<b>8 694 551</b>
Movements for the year	(536 455)	(295 848)
Administration costs and accruals	(10 936)	(12 058)
Distributions - Dividends	7 162	10 923
Withholding tax on dividends	-	(1 237)
Distributions - Local interest	48 319	47 920
Withdrawal from investments	(581 000)	(341 396)
	<b>9 386 795</b>	<b>8 398 703</b>
Revaluation to market value	143 691	107 669
Unrealised foreign exchange (loss)/gain on US\$ investment	(717 199)	1 416 878
<b>Closing balance</b>	<b>8 813 287</b>	<b>9 923 250</b>
<b>Investment portfolio</b>		
Allan Gray Stable Fund (A)	8 495	8 148
Coronation Balanced Defensive Fund (B)	1 003 557	1 251 157
Coronation Global Strategic USD Income Fund A	6 900 161	7 481 344
Nedbank Investments Stable Fund (A2)	901 074	1 182 601
	<b>8 813 287</b>	<b>9 923 250</b>

Investments are stated at fair value.

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

	2017 R	2016 R
<b>5. ACCOUNTS RECEIVABLE</b>		
<b>Current assets</b>		
Rental deposits	6 000	32 627
Student loans	24 000	24 000
Sundry debtors	7 150	-
	<u>37 150</u>	<u>56 627</u>
<b>Non - Current assets</b>		
Student loans	<u>47 251</u>	<u>71 251</u>
The student loans are unsecured, interest - free and are repaid at R2,000 per month.		
<b>6. CASH AND CASH EQUIVALENTS</b>		
Standard bank current account	4 294	29 890
Cash on call deposit	3 119 537	657 064
	<u>3 123 831</u>	<u>686 954</u>
<b>7. ACCOUNTS PAYABLE</b>		
Accrued expenses	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>8. DEFERRED GRANT INCOME</b>		
The Andrew W. Mellon Foundation	1 098 261	-
The Bertha Foundation	689 191	-
Ford Foundation	-	310 382
Open Society Foundation of South Africa	1 159 460	-
UK Foundation	25 780	97 780
US Foundation	438 631	465 478
	<u>3 411 323</u>	<u>873 640</u>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

	2017 R	2016 R
<b>9. GRANTS AND DONATIONS</b>		
<b>Artworks project</b>	<b>394 196</b>	<b>93 089</b>
A. Sachs	-	10 000
Received	-	10 000
The Andrew W. Mellon Foundation via Foundation for Society, Law and Art in South Africa	73 469	-
Received	1 171 730	-
(Deferred)	(1 098 261)	-
UK Trust (Artworks)	-	3 553
Recognised	-	3 553
US Foundation	319 227	79 136
Received	292 380	544 614
Recognised/(deferred)	465 478	(465 478)
(Deferred)	(438 631)	-
Sundry donations	1 500	400
<b>African Law Clerks Exchange</b>	<b>371 731</b>	<b>783 297</b>
The Bertha Foundation	60 809	-
Received	750 000	-
(Deferred)	(689 191)	-
The Ford Foundation	310 382	783 297
Recognised	-	1 093 679
Recognised/(deferred)	310 382	(310 382)
Open Society Foundation of South Africa	540	-
Received	1 160 000	-
(Deferred)	(1 159 460)	-
<b>P. Greer - Law Clerk</b>	<b>-</b>	<b>66 415</b>
UK Trust (P. Greer)	-	66 415
Received	-	66 415
<b>UK Foundation - Library</b>	<b>72 000</b>	<b>17 220</b>
UK Foundation	72 000	17 220
Received	-	115 000
Recognised/(deferred)	97 780	(97 780)
(Deferred)	(25 780)	-
<b>UP Online Legislation</b>	<b>-</b>	<b>197 301</b>
Rhodes Trust	-	47 705
Recognised	-	47 705
UK Trust	-	149 596
Received	-	149 596
	<b>837 927</b>	<b>1 157 322</b>

**THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (Continued)**

	2017 R	2016 R
<b>10. INTEREST RECEIVED</b>		
Interest received - call account	66 173	59 393
Interest received - investments	48 319	47 920
	<u>114 492</u>	<u>107 313</u>
<b>11. TAXATION</b>		
No provision has been made for income taxation as the trust is exempt from income tax in terms of section 10(1)(cN) as read with Section 30 of the Act.		
<b>12. CASH GENERATED FROM/(UTILISED IN) OPERATIONS</b>		
Surplus/(deficit) for the year on operating reserve	3 387	(16 517)
(Deficit)/surplus for the year on trust projects	(1 257 633)	140 941
Adjusted for :		
Dividend received	(7 162)	(9 686)
Interest received	(114 492)	(107 313)
Forex loss/(gain) on US\$ investment	717 199	(1 416 878)
Increase/(decrease) in deferred income	2 537 683	(271 297)
Revaluation of investments	(143 691)	(107 669)
<b>Operating surplus/(deficit) before working capital changes</b>	<b>1 735 291</b>	<b>(1 788 419)</b>
<b>Changes in working capital</b>	<b>43 477</b>	<b>(1 299 592)</b>
Decrease/(increase) in accounts receivable	43 477	(9 627)
(Decrease)/increase in accounts payable	-	(1 289 965)
<b>Cash generated from/(utilised in) operations</b>	<b>1 778 768</b>	<b>(3 088 011)</b>

**13. GOING CONCERN**

The level of deferred income and the trust capital will allow for the Trust to continue into the foreseeable future.

The existence of the trust is dependent on the continued support of its donors.

**14. COLLECTION OF ARTWORKS**

A detailed register of artworks is maintained and updated regularly for control purposes.

**15. LIBRARY**

The trust purchases books and publications for the library and donates these on the condition that they remain the property of the Constitutional Court.

THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)

ANALYSIS OF TRUST ACCOUNTS FOR  
THE YEAR ENDED 31 MARCH 2017

	Total R	Administration fund R	African Law Clerks exchange project R	Artworks project R	Franklin Thomas Fellowship R	Ismail Mahomed Fellowship R	Orientation project R	UK Foundation Library R
<b>Income</b>	<b>1 103 272</b>	<b>84 643</b>	<b>371 731</b>	<b>407 305</b>	<b>136 016</b>	<b>31 577</b>	<b>-</b>	<b>72 000</b>
Grants and donations	837 927	-	371 731	394 196	-	-	-	72 000
Received	3 375 610	-	1 910 000	1 465 610	-	-	-	-
Recognised in 2017	873 640	-	310 382	465 478	-	-	-	97 780
Deferred to 2018	(3 411 323)	-	(1 848 651)	(1 536 892)	-	-	-	(25 780)
Dividends received	7 162	3 581	-	-	-	3 581	-	-
Interest received	114 492	77 224	-	13 109	-	24 159	-	-
Share of revaluation of investments	143 691	3 838	-	-	136 016	3 837	-	-
<b>Expenditure</b>	<b>(2 357 518)</b>	<b>(81 256)</b>	<b>(371 731)</b>	<b>(404 940)</b>	<b>(1 054 344)</b>	<b>(367 647)</b>	<b>(5 600)</b>	<b>(72 000)</b>
Administration fees	(116 147)	-	(27 664)	-	(36 000)	(52 483)	-	-
Advertising	(3 306)	-	-	(3 306)	-	-	-	-
Assets expensed directly	-	-	-	-	-	-	-	-
Audit fees	(34 915)	(15 915)	-	(9 000)	(5 000)	(5 000)	-	-
Bank charges	(25 038)	(10 140)	(563)	(6 014)	(1 427)	(6 894)	-	-
Clerks orientation	(5 600)	-	-	-	-	-	(5 600)	-
Consulting fees	-	-	-	-	-	-	-	-
Contingency expenses	(8 975)	-	-	(8 975)	-	-	-	-
Exhibition costs	(36 120)	-	-	(36 120)	-	-	-	-
General expenses	(3 236)	(2 281)	-	(955)	-	-	-	-
Insurance	(34 036)	-	-	(34 036)	-	-	-	-
Printing and stationery	(2 865)	(2 865)	-	-	-	-	-	-
Repairs, preservation and maintenance	(13 800)	-	-	(13 800)	-	-	-	-
Salaries and other contributions	(779 172)	(46 899)	(338 974)	(287 812)	(23 692)	(9 795)	-	(72 000)
Scholarships	(562 501)	-	-	-	(270 026)	(292 475)	-	-
Travel and accommodation	(4 530)	-	(4 530)	-	-	-	-	-
Unrealised forex loss on US\$ investment	(717 199)	-	-	-	(717 199)	-	-	-
Webhosting and computer expenses	(10 078)	(3 156)	-	(4 922)	(1 000)	(1 000)	-	-
<b>(Deficit)/surplus for the year</b>	<b>(1 254 246)</b>	<b>3 387</b>	<b>-</b>	<b>2 365</b>	<b>(918 328)</b>	<b>(336 070)</b>	<b>(5 600)</b>	<b>-</b>
<b>Balance at beginning of year</b>	<b>9 864 444</b>	<b>213 064</b>	<b>-</b>	<b>584 906</b>	<b>7 292 485</b>	<b>1 761 974</b>	<b>12 015</b>	<b>-</b>
<b>Transfer between programme funds</b>	<b>-</b>	<b>6 415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6 415)</b>	<b>-</b>
<b>Balance at end of year</b>	<b>8 610 198</b>	<b>222 866</b>	<b>-</b>	<b>587 271</b>	<b>6 374 157</b>	<b>1 425 904</b>	<b>-</b>	<b>-</b>

THE CONSTITUTIONAL COURT TRUST  
(TRUST NUMBER 3836/95)  
ANALYSIS OF TRUST ACCOUNTS FOR  
THE YEAR ENDED 31 MARCH 2016

	Total R	Administration fund R	African Law Clerks exchange project R	Artworks project R	E. Cameron Law Clerk R	Franklin Thomas Fellowship R	Ismail Mahomed Fellowship R	Library fund R	Orientation project R	P Greer Law Clerk R	UK Foundation Library R	UP Online Legislation R
<b>Income</b>	<b>2 798 868</b>	<b>89 330</b>	<b>783 297</b>	<b>123 116</b>	-	<b>1 432 859</b>	<b>89 330</b>	-	-	<b>66 415</b>	<b>17 220</b>	<b>197 301</b>
Grants and donations	1 157 322	-	783 297	93 089	-	-	-	-	-	66 415	17 220	197 301
Received	886 025	-	-	555 014	-	-	-	-	-	66 415	115 000	149 596
Recognised in 2016	1 144 937	-	1 093 679	3 553	-	-	-	-	-	-	-	47 705
Deferred to 2017	(873 640)	-	(310 382)	(465 478)	-	-	-	-	-	-	(97 780)	-
Dividends received	9 686	4 843	-	-	-	-	4 843	-	-	-	-	-
Interest received	107 313	38 643	-	30 027	-	-	38 643	-	-	-	-	-
Share of revaluation of investments	107 669	45 844	-	-	-	15 981	45 844	-	-	-	-	-
Unrealised forex gain on US\$ investment	1 416 878	-	-	-	-	1 416 878	-	-	-	-	-	-
<b>Expenditure</b>	<b>(2 674 444)</b>	<b>(105 847)</b>	<b>(783 297)</b>	<b>(758 045)</b>	<b>(131 582)</b>	<b>(290 307)</b>	<b>(287 459)</b>	<b>(41 739)</b>	<b>(9 988)</b>	<b>(51 659)</b>	<b>(17 220)</b>	<b>(197 301)</b>
Administration fees	(128 085)	-	(51 635)	-	-	(99 000)	(37 460)	-	-	-	-	-
Advertising	(22 267)	-	-	(22 267)	-	-	-	-	-	-	-	-
Assets expensed directly	(19 947)	-	-	(19 947)	-	-	-	-	-	-	-	-
Audit fees	(36 272)	(19 272)	-	(8 000)	-	(4 000)	(4 000)	(1 000)	-	-	-	-
Bank charges	(35 729)	(11 433)	(4 641)	(9 152)	-	(854)	(6 883)	(600)	-	(339)	-	(1 627)
Clerks orientation	(9 988)	-	-	-	-	-	-	-	(9 988)	-	-	-
Consulting fees	(85 967)	-	(21 017)	(63 100)	-	-	-	-	-	-	-	(1 850)
Contingency expenses	(32 599)	-	-	(32 599)	-	-	(365)	-	-	-	-	-
General expenses	(6 475)	(3 398)	(353)	(1 931)	-	-	-	(428)	-	-	-	-
Insurance	(17 015)	-	-	(17 015)	-	-	-	-	-	-	-	-
Printing and stationery	(2 086)	(2 086)	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	(321 775)	-	-	(321 775)	-	-	-	-	-	-	-	-
Salaries and other contributions	(1 396 591)	(65 892)	(656 662)	(220 172)	(131 582)	(13 269)	(7 139)	(39 511)	-	(51 320)	(17 220)	(193 824)
Scholarships	(480 117)	-	-	(19 283)	-	(231 203)	(229 631)	-	-	-	-	-
Travel and accommodation	(50 489)	-	(48 989)	-	-	(750)	(750)	-	-	-	-	-
Webhosting and computer expenses	(29 032)	(3 766)	-	(22 804)	-	(1 231)	(1 231)	-	-	-	-	-
<b>Surplus/(deficit) for the year</b>	<b>124 424</b>	<b>(16 517)</b>	-	<b>(634 929)</b>	<b>(131 582)</b>	<b>1 142 552</b>	<b>(198 129)</b>	<b>(41 739)</b>	<b>(9 988)</b>	<b>14 756</b>	-	-
Balance at beginning of year	9 740 020	229 581	-	1 175 435	175 982	6 149 933	1 960 103	26 983	22 003	-	-	-
Transfer between programme funds	-	-	-	44 400	(44 400)	-	-	14 756	-	(14 756)	-	-
<b>Balance at end of year</b>	<b>9 864 444</b>	<b>213 064</b>	-	<b>584 906</b>	-	<b>7 292 485</b>	<b>1 761 974</b>	-	<b>12 015</b>	-	-	-

Administration fees	(128 085)	-	(51 635)	-	-	(99 000)	(37 460)	-	-	-	-	-
Advertising	(22 267)	-	-	(22 267)	-	-	-	-	-	-	-	-
Assets expensed directly	(19 947)	-	-	(19 947)	-	-	-	-	-	-	-	-
Audit fees	(36 272)	(19 272)	-	(8 000)	-	(4 000)	(4 000)	(1 000)	-	-	-	-
Bank charges	(35 729)	(11 433)	(4 641)	(9 152)	-	(854)	(6 883)	(600)	-	(339)	-	(1 627)
Clerks orientation	(9 988)	-	-	-	-	-	-	-	(9 988)	-	-	-
Consulting fees	(85 967)	-	(21 017)	(63 100)	-	-	-	-	-	-	-	(1 850)
Contingency expenses	(32 599)	-	-	(32 599)	-	-	(365)	-	-	-	-	-
General expenses	(6 475)	(3 398)	(353)	(1 931)	-	-	-	(428)	-	-	-	-
Insurance	(17 015)	-	-	(17 015)	-	-	-	-	-	-	-	-
Printing and stationery	(2 086)	(2 086)	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	(321 775)	-	-	(321 775)	-	-	-	-	-	-	-	-
Salaries and other contributions	(1 396 591)	(65 892)	(656 662)	(220 172)	(131 582)	(13 269)	(7 139)	(39 511)	-	(51 320)	(17 220)	(193 824)
Scholarships	(480 117)	-	-	(19 283)	-	(231 203)	(229 631)	-	-	-	-	-
Travel and accommodation	(50 489)	-	(48 989)	-	-	(750)	(750)	-	-	-	-	-
Webhosting and computer expenses	(29 032)	(3 766)	-	(22 804)	-	(1 231)	(1 231)	-	-	-	-	-
<b>Surplus/(deficit) for the year</b>	<b>124 424</b>	<b>(16 517)</b>	-	<b>(634 929)</b>	<b>(131 582)</b>	<b>1 142 552</b>	<b>(198 129)</b>	<b>(41 739)</b>	<b>(9 988)</b>	<b>14 756</b>	-	-
Balance at beginning of year	9 740 020	229 581	-	1 175 435	175 982	6 149 933	1 960 103	26 983	22 003	-	-	-
Transfer between programme funds	-	-	-	44 400	(44 400)	-	-	14 756	-	(14 756)	-	-
<b>Balance at end of year</b>	<b>9 864 444</b>	<b>213 064</b>	-	<b>584 906</b>	-	<b>7 292 485</b>	<b>1 761 974</b>	-	<b>12 015</b>	-	-	-