

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

(NPO REGISTRATION NUMBER : 004 - 997 NPO)

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018**

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

Annual Financial Statements for the year ended 31 March 2018

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	PO Mokoena
MM Katz	L Xaso
SV Khampepe	
KM Savage	CME O'Regan - resigned 17 August 2017
JV van der Westhuizen	JC Froneman - resigned 17 August 2017
MZ Yacoob	NZ Mhlantla - appointed 15 November 2017
SP Kana	C Jafta - appointed 21 February 2018
DI Bilchitz	

The above changes to the Trustees are still pending processing with the Master of the North Gauteng High Court.

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

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 2018**

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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 2018

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.

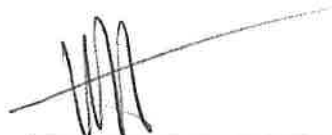
The trustees have reviewed the trust's cash flow forecast for the year to 31st March 2018 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 22nd August 2018 and were signed on its behalf by:







P O BOX 37707
BRAAMFONTEIN
2017
SOUTH AFRICA

TEL (011) 403 3835
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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 2018, 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 2018, 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 2018 and 2017, 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
22 August 2018

Report of the Trustees for the year ended 31 March 2018

1. Introduction

During the financial year 2017 - 2018 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, managing the African Law Clerks Exchange Programme with the Supreme Court of Kenya, and enabling online access to documentation of cases before the Constitutional Court. The Trust owns curates and conserves the Constitutional Court Art Collection (CCAC) housed at the Court.

2. Fellowships

Two former law clerks completed Masters' programmes in the USA: Racine Ramhurry, the recipient of the Ismail Mahomed Fellowship 2016 – 2017, completed her LLM degree at the University of Chicago, and Lubumba Kamukwamba, recipient of the Franklin Thomas Fellowship, 2016 – 2017, completed her LLM at Harvard. Yeukai Mahleza was awarded the Franklin Thomas fellowship for 2017 – 2018 and Mitchell De Beer was awarded the Ismail Mahomed fellowship for 2017 – 2018. Both commenced their studies towards LLM degrees at the University of Notre Dame Law School in mid-2017.

3. African Law Clerks' Exchange

The African law clerks exchange programme saw three Kenyan clerks employed at the Constitutional Court of South Africa (CCSA) in Braamfontein during the reporting period. Eric Walala, a Kenyan exchange clerk was appointed to work for Chief Justice Mogoeng for the period January – June 2017. As Kenya was to hold general elections in the second half of 2017, Chief Justice Maraga decided that Kenya would not send any law clerks to the CCSA for the period July - December 2017. Two Kenyan law clerks were selected to serve terms at the CCSA from January to July 2018. Emily Njiru will serve a term in the chambers of SA Justice Mhlantla, and Linette Oyugi, who will serve a term in the chambers of Deputy Chief Justice Zondo.

South African clerks Deborah Tumbo and Vanessa Shingange were selected to serve in the High Court and Supreme Court of Kenya for the period July 2017 – December 2017. Regrettably, however, Debora Mutenwa withdrew from the programme ahead of her departure. She offered a contribution to costs incurred, which offer was accepted. As a result, only one South African law clerk Vanessa Shingange, served at the High Court and Supreme Court of Kenya instead of the two originally planned. Despite the socio-political upheaval experienced in Kenya due to ongoing election issues, Vanessa confirmed that neither she nor the Courts had been seriously affected.

In addition to the formal exchange programme with Kenya, a Zimbabwean law clerk, Tinashe Mugauri, began a term of service within Justice Jafta's chamber from January 2018.

The inbound clerks 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 preparation of judgments. Apart from the 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 and High Court of Kenya.

This project is generously supported by the Bertha Foundation and the Open Society Foundation of South Africa.

4. The Constitutional Court Art Collection (CCAC)

The CCAC continues to grow with donations received by local and international artists and court supporters both locally and abroad. 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 four times a year to consider matters related to the growth and use of the collection.

During this reporting period, artworks by Michael Meyersfeld, Chepape Khehla Makgato and Stefan Blom have been added to the collection, and a comprehensive artworks conditions survey was undertaken by conservator Lucy Blumenthal.

During this financial year the Artworks project received generous donations from the Foundation for Society, Law and Art in South Africa and the Andrew W. Mellon Foundation.

Melissa Goba continues to serve as the curator of the Artworks programme.

5. Library Project

The Library Project: Constitutional Court of South Africa Judgments Database is a joint, ongoing project of the Constitutional Court Library and the Constitutional Court Trust, with the aim of ensuring that data on the Court's judgments is available in searchable format to all Internet users. The contents of the database are used extensively by the legal research community around the world. Within South Africa, they form a crucial part of the Court's outreach, in enhancing its accessibility and promoting understanding of its processes and its jurisprudence. Funding for this project has been provided with the assistance of the South African Constitutional Court Trust in the United Kingdom (SACCT).

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. SACCTT 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. In 2014, the US-registered Foundation for Society, Law and Art in South Africa was established by a group of former clerks, lawyers, business figures and enthusiasts passionate about art, reconciliation, justice and the rule of law. The mission of the foundation is to uphold the heritage of justice, human rights and reconciliation in South Africa by supporting and expanding the outreach efforts and body of artworks comprising the Constitutional Court Art Collection.

7. Trustees

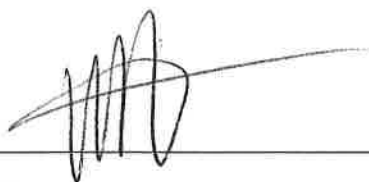
At the end of the year under review, the Board of Trustees, as confirmed by the Master of the High Court, comprised Justice E. Cameron, Professor M.M. Katz, Justice S.V. Khampepe (Chairperson), Justice C.M.E. O'Regan, Justice K.M. Savage, Ms H. Masondo, Justice J.V. van der Westhuizen, Justice M.Z. Yacoob, Justice J.C. Froneman, Dr S. Kana, Mr D.I. Bilchitz and Mr P.O. Mokoena. Justices JC Froneman and CME O'Regan resigned during the year and Ms L Xaso, Justices Mhlantla and Jafta were appointed as new Trustees, and their appointment with the Master of the High Court is still pending.

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 served as the Trust Manager until 30 September 2017. She was succeeded by Ms Jennifer Smith. 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.



J Khampepe
Chairperson

THE CONSTITUTIONAL COURT TRUST
(TRUST NUMBER 3836/95)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 R	2017 R
ASSETS		9 946 586	12 021 521
Non current assets		8 117 672	8 860 540
Equipment	3	1	1
Artworks	3	1	1
Investments	4	8 110 419	8 813 287
Accounts receivable	5	7 251	47 251
Current assets		1 828 915	3 160 981
Accounts receivable	5	24 000	37 150
Cash and cash equivalents	6	1 804 915	3 123 831
TOTAL ASSETS		9 946 586	12 021 521
RESERVES AND LIABILITIES		9 946 586	12 021 521
Equity and reserves		7 291 691	8 610 198
Trust capital		7 014 966	8 387 332
Operating reserve		276 725	222 866
Current liabilities		2 654 896	3 411 323
Accounts payable	7	-	-
Deferred grant income	8	2 654 896	3 411 323
TOTAL RESERVES AND LIABILITIES		9 946 586	12 021 521

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

OPERATING FUND

	Note	2018 R	2017 R
Income		118 610	84 643
Dividends received	4	3 799	3 581
Grants and donations	9	-	-
Interest received	10	114 068	77 224
Revaluation of investments	4	743	3 838
Expenditure		(64 751)	(81 256)
Audit fees		(6 615)	(15 915)
Bank charges		(10 953)	(10 140)
General expenses		(13 041)	(2 281)
Printing and stationery		(3 295)	(2 865)
Salaries and other contributions		(24 691)	(46 899)
Webhosting and computer expenses		(6 156)	(3 156)
Surplus for the year		53 859	3 387

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

PROJECT FUNDS

	Note	2018 R	2017 R
Income		1 523 848	1 018 629
Grants and donations	9	1 355 557	837 927
Dividends received	4	3 799	3 581
Interest received	10	80 381	37 268
Revaluation of investments	4	84 111	139 853
Expenditure		(2 896 214)	(2 276 262)
Administration fees		(72 706)	(116 147)
Advertising		(14 400)	(3 306)
Audit fees		(23 540)	(19 000)
Bank charges		(17 022)	(14 898)
Clerks orientation		-	(5 600)
Contingency expenses		-	(8 975)
Exhibition costs		(175 870)	(36 120)
General expenses		(420)	(955)
Insurance		-	(34 036)
Printing and stationery		(35)	-
Repairs, preservation and maintenance		(137 066)	(13 800)
Salaries and other contributions		(1 094 122)	(732 273)
Scholarships		(488 418)	(562 501)
Staff training		(21 797)	-
Travel and accommodation		(17 050)	(4 530)
Unrealised forex loss on US\$ investment		(831 624)	(717 199)
Webhosting and computer expenses		(2 144)	(6 922)
(Deficit) for the year		(1 372 366)	(1 257 633)

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

**STATEMENT OF CHANGES IN THE TRUST
CAPITAL AND RESERVES FOR THE YEAR
ENDED 31 MARCH 2018**

	Trust capital R	Operating reserve R	Total R
Balance at 31 March 2016	9 651 380	213 064	9 864 444
(Deficit) on trust projects	(1 257 633)	-	(1 257 633)
Surplus on operating reserve	-	3 387	3 387
Transfer between programme funds	(6 415)	6 415	-
Balance at 31 March 2017	8 387 332	222 866	8 610 198
(Deficit) on trust projects	(1 372 366)	-	(1 372 366)
Surplus on operating reserve	-	53 859	53 859
Balance at 31 March 2018	7 014 966	276 725	7 291 691

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

**STATEMENT OF CASH FLOWS FOR
THE YEAR ENDED 31 MARCH 2018**

	Note	2018 R	2017 R
Cash flows from operating activities			
Cash received from funders		599 129	3 375 610
Cash paid to suppliers, employees and projects		(2 076 192)	(1 596 842)
		<hr/>	<hr/>
Cash (utilised in)/generated from operations	12	(1 477 062)	1 778 768
Dividends received	4	7 599	7 162
Interest received	10	194 448	114 492
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(1 275 015)	1 900 422
Cash flows (utilised in)/generated from investing activities			
Acquisition of and additions to investments	4	(43 902)	(44 545)
Proceeds from disposal of investments	4	-	581 000
		<hr/>	<hr/>
Net (decrease)/increase in cash resources		(1 318 917)	2 436 877
Cash and cash equivalents at beginning of year		3 123 831	686 954
		<hr/>	<hr/>
Cash and cash equivalents at end of year	6	1 804 915	3 123 831
		<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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 2018 (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 2018 (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 2018 (Continued)**

	2018 R	2017 R
3. EQUIPMENT AND ARTWORKS		
Equipment - at nominal value	1	1
Artworks - at nominal value	1	1
<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>		
4. INVESTMENTS		
Opening balance	8 813 287	9 923 250
Movements for the year	43 902	(536 455)
Administration costs and accruals	(10 496)	(10 936)
Distributions - Dividends	7 599	7 162
Distributions - Local interest	46 799	48 319
Withdrawal from investments	-	(581 000)
	8 857 189	9 386 795
Revaluation to market value	84 854	143 691
Unrealised foreign exchange (loss) on US\$ investment	(831 624)	(717 199)
Closing balance	8 110 419	8 813 287
Investment portfolio		
Allan Gray Stable Fund (A)	9 006	8 495
Coronation Balanced Defensive Fund (B)	1 030 430	1 003 557
Coronation Global Strategic USD Income Fund A	6 151 905	6 900 161
Nedbank Investments Stable Fund (A2)	919 077	901 074
	8 110 419	8 813 287

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 2018 (Continued)

	2018 R	2017 R
5. ACCOUNTS RECEIVABLE		
Current assets		
Rental deposits	-	6 000
Student loans	24 000	24 000
Sundry debtors	-	7 150
	<u>24 000</u>	<u>37 150</u>
Non - Current assets		
Student loans	<u>7 251</u>	<u>47 251</u>
The student loans are unsecured, interest - free and are repaid at R2,000 per month.		
6. CASH AND CASH EQUIVALENTS		
Standard bank current account	23 228	4 294
Cash on call deposit	1 781 687	3 119 537
	<u>1 804 915</u>	<u>3 123 831</u>
7. ACCOUNTS PAYABLE		
Accrued expenses	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
8. DEFERRED GRANT INCOME		
The Andrew W. Mellon Foundation	828 534	1 098 261
The Bertha Foundation	349 724	689 191
Open Society Foundation of South Africa	813 175	1 159 460
UK Foundation	104 372	25 780
US Foundation	559 090	438 631
	<u>2 654 896</u>	<u>3 411 323</u>

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

	2018 R	2017 R
9. GRANTS AND DONATIONS		
Artworks project	597 662	394 196
The Andrew W. Mellon Foundation via Foundation for Society, Law and Art in South Africa	269 727	73 469
Received	-	1 171 730
Recognised/(deferred) (Deferred)	1 098 261 (828 534)	(1 098 261) -
US Foundation	327 935	319 227
Received	448 394	292 380
Recognised	-	465 478
Recognised/(deferred) (Deferred)	438 631 (559 090)	(438 631) -
Sundry donations	-	1 500
African Law Clerks Exchange	685 751	371 731
The Bertha Foundation	339 467	60 809
Received	-	750 000
Recognised/(deferred) (Deferred)	689 191 (349 724)	(689 191) -
The Ford Foundation	-	310 382
Recognised	-	310 382
Open Society Foundation of South Africa	346 285	540
Received	-	1 160 000
Recognised/(deferred) (Deferred)	1 159 460 (813 175)	(1 159 460) -
UK Foundation - Library	72 143	72 000
UK Foundation	72 143	72 000
Received	150 735	-
Recognised	-	97 780
Recognised/(deferred) (Deferred)	25 780 (104 372)	(25 780) -
	1 355 557	837 927

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

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018 (Continued)**

	2018 R	2017 R
10. INTEREST RECEIVED		
Interest received - call account	147 650	66 173
Interest received - investments	46 799	48 319
	<u>194 448</u>	<u>114 492</u>
11. TAXATION		
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.		
12. CASH (UTILISED IN)/GENERATED FROM OPERATIONS		
Surplus for the year on operating reserve	53 859	3 387
(Deficit) for the year on trust projects	(1 372 366)	(1 257 633)
Adjusted for :		
Dividend received	(7 599)	(7 162)
Interest received	(194 448)	(114 492)
Forex loss on US\$ investment	831 624	717 199
(Decrease)/increase in deferred income	(756 427)	2 537 683
Revaluation of investments	(84 854)	(143 691)
Operating (deficit)/surplus before working capital changes	(1 530 212)	1 735 291
Changes in working capital	53 150	43 477
Decrease in accounts receivable	53 150	43 477
Cash (utilised in)/generated from operations	(1 477 062)	1 778 768

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 2018

	Total R	Administration fund R	African Law Clerks exchange project R	Artworks project R	Franklin Thomas Fellowship R	Ismail Mahomed Fellowship R	UK Foundation Library R
Income	1 642 458	118 610	685 751	654 644	83 368	27 942	72 143
Grants and donations Received	1 355 557	-	685 751	597 662	-	-	72 143
Recognised in 2018	599 129	-	-	448 394	-	-	150 735
Deferred to 2019	3 411 323	-	1 848 651	1 536 892	-	-	25 780
Dividends received	(2 654 896)	-	(1 162 900)	(1 387 624)	-	-	(104 372)
Interest received	7 599	3 799	-	-	-	3 799	-
Share of revaluation of investments*	194 448	114 068	-	56 981	-	23 399	-
	84 854	743	-	-	83 368	743	-
Expenditure	(2 960 966)	(64 751)	(685 751)	(705 234)	(1 137 565)	(295 521)	(72 143)
Administration fees	(72 706)	-	-	-	(30 000)	(42 706)	-
Advertising	(14 400)	-	-	(14 400)	-	-	-
Audit fees	(30 155)	(6 615)	(10 000)	(9 540)	(2 000)	(2 000)	-
Bank charges	(27 975)	(10 953)	(4 431)	(4 866)	(861)	(6 110)	(754)
Exhibition costs	(175 870)	-	-	(175 870)	-	-	-
General expenses	(13 461)	(13 041)	-	-	(210)	(210)	-
Insurance	-	-	-	-	-	-	-
Printing and stationery	(3 330)	(3 295)	-	(35)	-	-	-
Repairs, preservation and maintenance	(137 066)	-	-	(137 066)	-	-	-
Salaries and other contributions	(1 118 814)	(24 691)	(654 269)	(339 517)	(21 494)	(7 452)	(71 390)
Scholarships	(488 418)	-	-	-	(251 375)	(237 043)	-
Staff training	(21 797)	-	-	(21 797)	-	-	-
Travel and accommodation	(17 050)	-	(17 050)	-	-	-	-
Unrealised forex loss on US\$ investment	(831 624)	-	-	-	(831 624)	-	-
Webhosting and computer expenses	(8 300)	(6 156)	-	(2 144)	-	-	-
(Deficit)/surplus for the year	(1 318 508)	53 859	-	(50 590)	(1 054 196)	(267 580)	-
Balance at beginning of year	8 610 198	222 866	-	587 271	6 374 157	1 425 904	-
Transfer between programme funds	-	-	-	-	-	-	-
Balance at end of year	7 291 690	276 725	-	536 681	5 319 961	1 158 324	-

THE CONSTITUTIONAL COURT TRUST
(TRUST NUMBER 3836/95)

ANALYSIS OF TRUST ACCOUNTS FOR
THE YEAR ENDED 31 MARCH 2017

	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
Income	84 643	371 731	407 305	136 016	31 577	-	72 000
Grants and donations Received	-	371 731	394 196	-	-	-	72 000
Recognised in 2017	-	1 910 000	1 465 610	-	-	-	-
Deferred to 2018	-	310 382	465 478	-	-	-	97 780
Dividends received	3 581	(1 848 651)	(1 536 892)	-	-	-	(25 780)
Interest received	77 224	-	13 109	-	3 581	-	-
Share of revaluation of investments	3 838	-	-	136 016	24 159	-	-
	(81 256)	(371 731)	(404 940)	(1 054 344)	(367 647)	(5 600)	(72 000)
Expenditure	(2 357 518)	(371 731)	(404 940)	(1 054 344)	(367 647)	(5 600)	(72 000)
Administration fees	(116 147)	(27 664)	-	(36 000)	(52 483)	-	-
Advertising	(3 306)	-	(3 306)	-	-	-	-
Assets expensed directly	-	-	-	-	-	-	-
Audit fees	(34 915)	-	(9 000)	(5 000)	(5 000)	-	-
Bank charges	(25 038)	(563)	(6 014)	(1 427)	(6 894)	(5 600)	-
Clerks orientation	(5 600)	-	-	-	-	-	-
Consulting fees	-	-	-	-	-	-	-
Contingency expenses	(8 975)	-	(8 975)	-	-	-	-
Exhibition costs	(36 120)	-	(36 120)	-	-	-	-
General expenses	(3 236)	-	(955)	-	-	-	-
Insurance	(34 036)	-	(34 036)	-	-	-	-
Printing and stationery	(2 865)	-	-	-	-	-	-
Repairs, preservation and maintenance	(13 800)	-	(13 800)	-	-	-	-
Salaries and other contributions	(779 172)	(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)	-	(4 922)	(1 000)	(1 000)	-	-
	(1 254 246)	-	2 365	(918 328)	(336 070)	(5 600)	-
(Deficit)/surplus for the year	3 387	-	2 365	(918 328)	(336 070)	(5 600)	-
Balance at beginning of year	213 064	-	584 906	7 292 485	1 761 974	12 015	-
Transfer between programme funds	-	-	-	-	-	(6 415)	-
Balance at end of year	222 866	-	587 271	6 374 157	1 425 904	-	-