

APPENDIX 1

Annual Financial Statements for the period 1 April 1997 to 31 March 1998

The Chief Executive Officer hereby presents his report and submits the annual financial statements for the period ended 31 March 1998.

■ GENERAL REVIEW

The Truth and Reconciliation Commission was constituted in terms of The Promotion of National Unity and Reconciliation Act 34 of 1995 on 15 December 1995. During this first financial period the Truth and Reconciliation Commission commenced starting up operations which involved the setting up of its head office in Cape Town as well as three other offices in Gauteng, the Eastern Cape and Kwazulu Natal. The financial activities of the Truth and Reconciliation Commission for the above period centred around continuing its activities as in the previous year. The initial closing down date for the Commission was extended in terms of an amendment to the necessary legislation, which meant that the Commission operated at full capacity for virtually the entire year. The results of these activities are clearly reflected in the attached financial statements and may be summarised as follows:

Operating Surplus for the period	R 8 602 940
Capital Expenditure	R 1 252 719
Net Cash Flow Surplus	R16 651 911

The Cash Flow Surplus mainly arises out of funds held on deposit for donor funds to be expended in the next financial year as well as a surplus achieved on the budget of this financial year.

■ CHIEF EXECUTIVE OFFICER AND SECRETARIES

In terms of S46(1) of the Promotion of National Unity and Reconciliation Act 34 of 1995 the following appointments have been made:-

Chief Executive Officer **Dr B S V Minyuku**

Date of Appointment: 1 March 1996

Executive Secretary to:

The Commission **P van Zyl**

Date of Appointment: 1 March 1996

The Reparation and Rehabilitation Committee **T Grenville-Grey**

Date of Appointment: 18 December 1997

The Human Rights Violations Committee **Dr R Richards**

Date of Appointment: 1 September 1996

The Amnesty Committee **Adv. M Coetzee**

Date of Appointment: 8 August 1997

■ FINANCIAL STATEMENTS

The Chief Executive Officer acknowledges his responsibility for the fair presentation in the financial statements of the financial position and results of operations in conformity with generally accepted accounting practice. The Chief Executive Officer has approved the financial statements set out on pages 4 to 9.

■ EVENTS OCCURRING AFTER BALANCE SHEET DATE

During the month of June 1998, the Commission closed down its three regional offices according to its strategic plan. The financial effect of the closure was that assets of the Commission were transferred to the Department of Justice as stipulated by the Act. The total cost of these assets amounts to R912 066. The book value at year end of these assets amounted to R575 303. This event also meant that regional staff were retrenched as per the roll-out plan of the Commission. A total of 40 staff were retrenched. This represented, at that time, 10% of the Commission's staff complement.

CHIEF EXECUTIVE OFFICER

23 October 1998

TRUTH AND RECONCILIATION COMMISSION

■ **BALANCE SHEET** AS AT 31 MARCH 1998

	<i>Notes</i>	1997-98 R	1996-1997 R
Capital employed			
Accumulated funds		24 853 873	16 241 934
Employment of capital			
Fixed assets	3	8 192 963	11 473 285
Net current assets		16 660 910	4 768 649
Current assets		23 240 268	19 557 049
Sundry debtors	4	1 309 151	1 582 387
Bank and cash balances		21 931 117	17 974 662
Current liabilities		(6 579 358)	(14 788 400)
Sundry creditors	5	6 349 358	4 401 092
Unapproved donations		-	10 313 347
Provisions		230 000	73 961
		24 853 873	16 241 934

Cape Town, 23/10/98

B S V MINYUKU
Accounting Officer

TRUTH AND RECONCILIATION COMMISSION

■ **INCOME STATEMENT** FOR THE YEAR ENDED 31 MARCH 1998

	<i>Notes</i>	1997-98 R	1996-1997 R
Income			
State contributions		65 716 000	70 042 034
Donations		13 662 552	2 336 221
Other income	8	2 526 330	2 005 322
Expenditure			
Salaries		37 209 133	31 746 636
Other operating expenditure	9	35 698 511	30 153 569
Discontinued operations	7	385 299	-
Retained income for the year		8 611 939	12 483 372
Retained income at the beginning of the year		16 241 934	3 758 562
Retained income at the end of the year		24 853 873	16 241 934

■ NOTES TO THE FINANCIAL STATEMENTS**1. Formation and primary objectives**

- 1.1 The Truth and Reconciliation Commission was established in terms of section 2(1) of the Promotion of National Unity and Reconciliation Act, 1995 (Act No. 34 of 1995). The Commissioners were appointed by the President in terms of section 7(2)(a) of the Act on 15 December 1995.
- 1.2 The objectives of the Commission are to promote national unity and reconciliation in a spirit of understanding which transcends the conflicts and divisions of the past by establishing a complete picture of the causes, nature and extent of gross violations of human rights by conducting investigations and holding hearings; facilitating the granting of amnesty to persons who make full disclosure of all the relevant facts relating to these acts; establishing and making known the fate or whereabouts of victims and recommending reparation measures in respect of them; and compiling a report providing a comprehensive account of the activities and findings of the Commission.

2. Accounting policy

The annual financial statements have been prepared in accordance with generally accepted accounting practice. The principal accounting policy is as follows:

2.1 *Basis of presentation*

The annual financial statements are prepared on the historical cost basis.

2.2 *Fixed assets and depreciation*

Fixed assets are stated at cost price less accumulated depreciation. Leasehold improvements are written off over the expected life-span of the Commission. All other assets are depreciated over their useful lives on the straight line method.

2.3 *Income and expenditure*

Income and expenditure is recognised on the accrual basis.

2.4 *Donations*

Donations and interest earned on donations are recognised in full in the year in which the donations are authorised. However, unspent donor funds and interest earned thereon will be refunded to the donor at the end of the project. The refund of donor funds and interest will be accounted for in the year in which the transfer takes place.

NOTES (Continued)

3. Fixed Assets

	Computer equipment	Computer software & installation	Furniture & fittings	Office equipment 1997-98	Motor vehicles	Leasehold improvements	Security equipment	Total
	R	R	R	R	R	R	R	R
Beginning of year:								
Cost price	30 010 355	1 003 441	2 671 545	2 607 430	5 083 435	619 401	347 679	15 343 286
Accumulated depreciation	(811 115)	(1 003 441)	(514 136)	(379 353)	(861 644)	(251 709)	(48 603)	(3 870 001)
Carrying amount beginning of year	2 199 240	-	2 157 409	2 228 077	4 221 791	367 692	299 076	11 473 285
During the year:								
Additions	606 971	97 518	39 924	463 396	3 714	33 696	7 500	1 252 719
Disposals	(28 331)	-	-	(252 520)	(195 496)	-	(4 364)	(480 711)
Transfers	(51 242)	-	(213 692)	-	(103 519)	-	-	(368 453)
Depreciation	(1 153 183)	(97 518)	(538 803)	(531 133)	(980 035)	(313 502)	(69 703)	(3 683 877)
Carrying amount end of year	1 573 455	-	1 444 838	1 907 820	2 946 455	87 886	232 509	8 192 963
Cost price	3 444 665	1 100 959	2 360 762	2 773 242	4 676 357	653 097	349 679	15 358 761
Accumulated depreciation	(1 871 210)	(1 100 959)	(915 924)	(865 422)	(1 729 902)	(565 211)	(117 170)	(7 165 798)
	1 573 455	-	1 444 838	1 907 820	2 946 455	87 886	232 509	8 192 963

■ **NOTES** (Continued)

3. Fixed Assets (continued)

	Computer equipment	Computer software & installation	Furniture & fittings	Office equipment 1996-97	Motor vehicles	Leasehold improve- ments	Security equipment	Total
	R	R	R	R	R	R	R	R
Beginning of year:								
Cost price	310 549	-	1 733 691	163 345	2 358 852	195 534	-	4 761 971
Accumulated depreciation	(7 502)	-	(11 813)	(1 954)	(49 496)	(7 726)	-	(78 491)
Carrying amount beginning of year	303 047	-	1 721 878	161 391	2 309 356	187 808	-	4 683 480
During the year:								
Additions	2 748 312	1 003 441	937 854	2 461 118	2 882 401	423 867	347 679	10 804 671
Disposals	(40 413)	-	-	(15 184)	(141 694)	-	-	(197 290)
Transfers	-	-	-	-	-	-	-	-
Depreciation	(811 706)	(1 003 441)	(502 323)	(379 248)	(828 272)	(243 983)	(48 604)	(3 817 576)
Carrying amount end of year	2 199 240	-	2 157 409	2 228 077	4 221 791	367 692	299 076	11 473 285
Cost price	3 010 335	1 003 441	2 671 545	2 607 430	5 083 435	619 401	347 679	15 343 286
Accumulated depreciation	(811 115)	(1 003 441)	(514 136)	(379 353)	(861 644)	(251 709)	(48 603)	(3 870 001)
	2 199 240	-	2 157 409	2 228 077	4 221 791	367 692	299 076	11 473 285

■ **NOTES** (continued)

	1997-98	1996-1997
	R	R
9. Other operating expenditure		
Audit fees	320 588	109 610
Bank costs	51 060	57 030
CMC levies	180 855	-
Communication	4 323 800	2 952 863
Conferences and workshops	294 171	275 724
Consulting fees	925 900	330 861
Consumables	181 712	313 201
Diginet lines	127 192	107 714
Depreciation	3 683 878	3 817 576
DST Programme	395 699	-
Entertainment, teas and refreshments	160 249	114 046
Exhumation costs	155 030	12 677
Hearing costs	948 684	939 322
Insurance	693 583	419 788
Interest paid	11 431	23 805
Legal costs	280 917	36 455
Legal aid	511 858	122 615
Maintenance:	495 356	154 765
Computers	96 785	3 802
Equipment	36 736	21 726
Premises	62 131	26 757
Motor vehicles	299 704	102 480
Postage	59 556	22 878
Printing	398 544	348 573
Publications and subscriptions	100 352	125 841
Relocation costs	199 658	179 363
Rentals:	4 184 994	3 597 814
Equipment	11 199	3 084
Offices	4 173 795	3 594 730
Staff recruitment	101 603	831 198
Stationery	380 413	402 437
Telephones:	2 642 134	2 175 609
Telkom and faxes	1 676 735	1 354 044
Cellular	965 399	821 565
Transport:	886 000	848 556
Freight	146 804	90 676
Motor vehicles expenses	625 438	538 859
Use of private motor vehicles	113 758	219 021
Training	8 685	17 728
Transcription costs	347 594	145 843
Translation costs	3 333 793	3 228 313
Travel and subsistence	9 102 878	7 985 643
Travel management costs	57 834	347 004
Witness protection programme	152 510	108 717
	35 698 511	30 153 569

■ CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1997-98 R	1996-1997 R
Cash flows from operating activities			
Cash generated from operations	A	2 213 565	26 354 785
Interest received		2 514 571	1 617 546
Interest paid		(11 431)	(23 805)
Net cash inflow from operations		4 716 705	27 948 526
Cash flows from investing activities			
Additions to fixed assets		(1 252 719)	(10 804 671)
Disposal of fixed assets		492 469	207 277
Net cash outflow from investing activities		(760 250)	(10 597 394)
Net increase in cash and cash equivalents		3 956 455	17 351 132
Cash and cash equivalents at the beginning of the year	B	17 974 662	623 530
Cash and cash equivalents at the end of the year	B	21 931 117	17 974 662

■ NOTES TO THE CASH FLOW STATEMENT

	Notes	1997-98 R	1996-1997 R
A. Reconciliation of net surplus to cash generated from operations			
Net surplus		8 611 939	12 483 372
Depreciation		3 683 878	3 817 576
Interest received		(2 514 571)	(1 617 546)
Interest expenses		(11 431)	23 805
Transfer of assets		(368 453)	-
Profit on disposal of assets		(11 759)	(9 988)
Operating profit before working capital changes		10 149 371	14 697 217
Working capital changes		(7 935 806)	(11 657 566)
Decrease/(increase) in debtors		273 236	(937 045)
Increase/(decrease) in creditors		(8 209 042)	12 594 611
Cash generated from operations		2 213 565	26 354 785
B. Cash and cash equivalents			
Cash and cash equivalents consist of cash on hand balances with banks.			
Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amount:			
Cash on hand and balances with banks		21 931 117	17 974 662

APPENDIX 2

Annual Financial Statements for the period 1 April 1998 to 31 March 1999

The Chief Executive Officer hereby presents his report and submits the annual financial statements for the period ended 31 March 1999.

■ GENERAL REVIEW

The Truth and Reconciliation Commission was constituted in terms of The Promotion of National Unity and Reconciliation Act 34 of 1995 on 15 December 1995. The extent of the work of the Commission could not be foreseen by the legislature and was influenced as a result of the extension granted by the President of the cut-off date of gross violations of human rights from 5 December 1993 to 10 May 1994. The closing date to submit amnesty applications was also extended from 11 May 1997 to 30 September 1997 which greatly influenced the work of the Commission.

It is against this background that the Chairperson of the Commission requested the Minister of Justice to extend the lifespan of the Commission. The result was that the Promotion of National Unity and Reconciliation Amendment Act, 1998 was approved in Parliament in June 1998. The amended Act makes inter alia provision that the Amnesty Committee shall continue with its functions until a date determined by the President.

The Committee on Human Rights Violations and the Committee on Reparation and Rehabilitation have more or less completed their work on 31 July 1998. However the assessment of reparation and rehabilitation forms as well as the possible appeals and/or challenges of human rights violations work continued in 1999. The work of the Amnesty Committee will however continue into 2000.

For the continuation for the work of the Amnesty committee with the necessary support services as well as some capacity for the assessment of reparation and rehabilitation forms as well as the possible appeals and/or challenges it is envisaged for work to continue until at least June 2000.

The results of these activities are clearly reflected in the attached financial statements and may be summarised as follows:

Retained income R 4 401 646

Capital Expenditure	R	362 946
Retained income at the beginning of the financial year ..	R	24 853 873

The Cash Flow Surplus mainly arises out of funds held on deposit for donor funds to be expended in the next financial year.

■ CHIEF EXECUTIVE OFFICER

In terms of S46(1) of the Promotion of National Unity and Reconciliation Act 34 of 1995 the following appointments has been made:

Chief Executive Officer **Adv. Martin Coetzee**

Date of Appointment: 1 April 1999

■ FINANCIAL STATEMENTS

The Chief Executive Officer acknowledges his responsibility for the fair presentation in the financial statements of the financial position and results of operations in conformity with generally accepted accounting practice.

The Chief Executive Officer has approved the financial statements for the 1998/1999 financial year.

CHIEF EXECUTIVE OFFICER

16 November 1999

TRUTH AND RECONCILIATION COMMISSION

■ **BALANCE SHEET** AS AT 31 MARCH 1999

	<i>Notes</i>	1998-99 R	1997-1998 R
Capital employed			
Accumulated funds		29 255 519	24 853 873
Employment of capital			
Property, Plant and Equipment	3	3 754 815	8 192 963
Net current assets		25 500 704	16 660 910
Current assets		29 578 491	23 240 268
Debtors	4	3 691 250	1 309 151
Bank and cash balances		25 887 241	21 931 117
Current liabilities		(4 077 787)	(6 579 358)
Creditors	5	3 902 787	6 349 358
Provisions		175 000	230 000
		29 255 519	24 853 873

Cape Town, 14/10/99

ADV. M COETZEE

Accounting Officer

TRUTH AND RECONCILIATION COMMISSION

■ **INCOME STATEMENT** FOR THE YEAR ENDED 31 MARCH 1999

	<i>Notes</i>	1998-99 R	1997-1998 R
Income			
State contributions		54 083 096	65 716 000
Donations		3 324 725	13 662 552
Other income	8	4 937 412	2 526 330
Expenditure		(57 943 587)	(73 292 943)
Salaries		25 161 438	37 209 133
Other operating expenditure	9	28 786 877	35 698 511
Discontinued operations	7	3 995 272	385 299
Retained income for the year		4 401 646	8 611 939
Retained income at the beginning of the year		24 853 873	16 241 934
Retained income at the end of the year		29 255 519	24 853 873

■ NOTES TO THE FINANCIAL STATEMENTS**1. Formation and primary objectives**

- 1.1 The Truth and Reconciliation Commission was established in terms of section 2(1) of the Promotion of National Unity and Reconciliation Act, 1995 (Act No. 34 of 1995). The Commissioners were appointed by the President in terms of section 7(2)(a) of the Act on 15 December 1995.
- 1.2 The objectives of the Commission are to promote national unity and reconciliation in a spirit of understanding which transcends the conflicts and divisions of the past by establishing a complete picture of the causes, nature and extent of gross violations of human rights by conducting investigations and holding hearings; facilitating the granting of amnesty to persons who make full disclosure of all the relevant facts relating to these acts; establishing and making known the fate or whereabouts of victims and recommending reparation measures in respect of them; and compiling a report providing a comprehensive account of the activities and findings of the Commission.

2. Accounting policy

The annual financial statements have been prepared in accordance with generally accepted accounting practice. The principal accounting policy is as follows:

2.1 *Basis of presentation*

The annual financial statements are prepared on the historical cost basis.

2.2. *Fixed assets and depreciation*

Fixed assets are stated at cost price less accumulated depreciation. Leasehold improvements are written off over the expected life-span of the Commission. All other assets are depreciated over their useful lives on the straight line method.

2.3 *Income and expenditure*

Income and expenditure is recognised on the accrual basis.

2.4 *Donations*

Donations and interest earned on donations are recognised in full in the year in which the donations are authorised. However, unspent donor funds and interest earned thereon will be refunded to the donor at the end of the project. The refund of donor funds and interest will be accounted for in the year in which the transfer takes place.

■ NOTES (Continued)

3. Fixed Assets

	Computer equipment	Computer software & installation	Furniture & fittings	Office equipment 1997-98	Motor vehicles	Leasehold improve- ments	Security equipment	Total
	R	R	R	R	R	R	R	R
Beginning of year:								
Cost price	3 444 665	1 100 959	2 360 762	2 773 242	4 676 358	653 097	349 679	15 358 762
Accumulated depreciation	(1 871 211)	(1 100 959)	(915 924)	(865 422)	(1 729 902)	(565 211)	(117 171)	(7 165 799)
Carrying amount beginning of year	1 573 454	-	1 444 838	1 907 821	2 946 456	87 886	232 508	8 192 963
During the year:								
Additions	13 600	61 296	37 256	211 869	11 493	25 272	2 160	362 946
Disposals	(48 506)	-	-	(45 313)	-	(17 264)	-	(111 083)
Transfers	(181 914)	-	(396 483)	(82 810)	(1 181 533)	-	(30 951)	(1 873 691)
Depreciation	(954 898)	(61 296)	(373 963)	(523 378)	(766 542)	(73 649)	(62 594)	(2 816 320)
Carrying amount end of year	401 736	-	711 648	1 468 189	1 009 874	22 245	141 123	3 754 815
Cost price	2 842 523	1 132 065	1 693 749	2 725 014	2 287 214	227 612	301 439	11 209 616
Accumulated depreciation	(2 440 787)	(1 132 065)	(982 101)	(1 256 825)	(1 277 340)	(205 367)	(160 316)	(7 454 801)
	401 736	-	711 648	1 468 189	1 009 874	22 245	141 123	3 754 815

■ NOTES (Continued)

3. Fixed Assets (continued)

	Computer equipment	Computer software & installation	Furniture & fittings	Office equipment 1997-98	Motor vehicles	Leasehold improve- ments	Security equipment	Total
	R	R	R	R	R	R	R	R
Beginning of year:								
Cost price	3 010 355	1 003 441	2 671 545	2 607 430	5 083 435	619 401	347 679	15 343 286
Accumulated depreciation	(811 115)	(1 003 441)	(514 136)	(379 353)	(861 644)	(251 709)	(48 603)	(3 870 001)
Carrying amount beginning of year	2 199 240	-	2 157 409	2 228 077	4 221 791	367 692	299 076	11 473 285
During the year:								
Additions	606 971	97 518	39 924	463 396	3 714	33 696	7 500	1 252 719
Disposals	(28 331)	-	-	(252 520)	(196 496)	-	(4 364)	(480 711)
Transfers	(51 242)	-	(213 692)	-	(103 519)	-	-	(368 453)
Depreciation	(1 153 183)	(97 518)	(538 803)	(531 133)	(980 035)	(313 502)	(69 703)	(3 683 877)
Carrying amount end of year	1 573 455	-	1 444 838	1 907 820	2 946 455	87 886	232 509	8 192 963
Cost price	3 444 665	1 100 959	2 360 762	2 773 242	4 676 357	653 097	349 679	15 358 761
Accumulated depreciation	(1 871 210)	(1 100 959)	(915 924)	(865 422)	(1 729 902)	(565 211)	(117 170)	(7 165 798)
	1 573 455	-	1 444 838	1 907 820	2 946 455	87 886	232 509	8 192 963

■ NOTES *(continued)*

	1998-99	1997-1998
	R	R
4. Sundry debtors		
Income receivable	427 648	30 217
Interest receivable	298 689	135 291
Legal Aid Board advances	491 958	–
Prepaid expenses	146 166	104 779
Refundable deposits paid on leased premises	11 553	45 366
Salary advances	2 016	25 421
Value Added Tax (VAT) refund	2 313 220	968 077
	3 691 250	1 309 151
5. Creditors		
Accruals for accounts payable	3 902 787	6 349 358
6. Contingent liability		
<p>A claim of R12,5 million was lodged against the Commission by a former employee for damages allegedly caused by statements made against him in the media. Although the outcome of this legal action is not yet known, the Commission's Head Legal Advisor is of the opinion that this claim will not succeed.</p>		
7. Discontinued operations		
Assets transferred to Department of Justice	1 873 691	368 453
VAT on transfers to Department of Justice	133 145	–
Gratuities paid to Commissioners	1 891 164	–
Winding down costs	97 272	16 846
	3 995 272	385 299
<p>The operation of the TRC presently only consists of the Amnesty Committee.</p> <p>The Regional Offices were downgraded to Satellite Offices.</p> <p>The staff complement decreased from 268 at the beginning of the year to 161 at the end of the year.</p>		
8. Other income		
Interest	4 882 131	2 514 571
Commission	55 281	–
Profit on assets written off	–	11 759
	4 937 412	2 526 330

■ NOTES *(continued)*

	1998-99 R	1997-1998 R
9. Other operating expenditure		
Audit fees	252 450	320 588
Bank costs	48 103	51 060
CMC levies	64 671	180 855
Communication	1 570 504	4 323 800
Conferences and workshops	34 640	294 171
Consulting fees	436 036	925 900
Consumables	31 959	181 712
Diginet lines	26 886	127 192
Depreciation	2 816 320	3 683 878
DST Programme	862 481	395 699
Entertainment, teas and refreshments	155 704	160 249
Exhumation costs	146 848	155 030
Hearing costs	1 119 498	948 684
Insurance	802 819	693 583
Interest paid	10 400	11 431
Legal costs	717 002	280 917
Legal aid	523 927	511 858
Loss on assets written off	75 847	-
Maintenance:	534 723	495 356
Computers	145 390	96 785
Equipment	59 444	36 736
Premises	67 819	62 131
Motor vehicles	262 070	299 704
Postage	62 930	59 556
Printing	937 819	398 544
Publications and subscriptions	57 900	100 352
Refund of donation to Netherlands Embassy	45 424	-
Refund of interest Danish Embassy	55 983	-
Relocation costs	146 101	199 658
Rentals:	2 728 881	4 184 994
Equipment	2 771	11 199
Offices	2 726 110	4 173 795
Staff recruitment	29 786	101 603
Stationery	187 020	380 413
Telephones:	2 066 435	2 642 134
Telkom and faxes	1 151 807	1 676 735
Cellular	914 628	965 399
Transport:	855 864	886 000
Freight	311 586	146 804
Motor vehicles expenses	466 150	625 438
Use of private motor vehicles	78 128	113 758
Traning	-	8 685
Transcription costs	324 660	347 594
Translation costs	4 813 924	3 333 793
Travel and subsistence	6 089 514	9 102 878
Travel management costs	-	57 834
Witness protection program	153 818	152 510
	28 786 877	35 698 511

10. Post Balance Sheet Event

After the Financial Year End a Donation to the amount of R1 722 750.00 was made available from USAID for expenditure incurred by the TRC during the 1998-1999 Financial Year.

■ CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1998-99 R	1997-1998 R
Cash flows from operating activities			
Cash generated from operations	A	(702 775)	2 213 565
Interest received		4 882 131	2 514 571
Interest paid		(10 400)	(11 431)
Net cash inflow from operations		4 168 956	4 716 705
Net cash outflow from investing activities			
Additions to fixed assets		(362 946)	(1 252 719)
Disposal of fixed assets		150 114	492 469
Net increase in cash and cash equivalents		3 956 124	3 956 455
Cash and cash equivalents at the beginning of the year			
	B	21 931 117	17 974 662
Cash and cash equivalents at the end of the year			
	B	25 887 241	21 931 117

■ NOTES TO THE CASH FLOW STATEMENT

	1998-99 R	1997-1998 R
A. Reconciliation of net surplus to cash generated from operations		
Net surplus	4 401 646	8 611 939
Depreciation	2 816 320	3 683 878
Interest received	(4 882 131)	(2 514 571)
Interest expenses	10 400	11 431
Transfer of assets	1 873 691	368 453
(Profit)/Loss on disposal of fixed assets	(39 031)	(11 759)
Operating profit before working capital changes	4 180 895	10 149 371
Working capital changes	(4 883 670)	(7 935 806)
Decrease/(increase) in accounts receivable	(2 382 099)	273 236
Increase/(decrease) in accounts payable	(2 501 571)	(8 209 042)
Cash generated from operations	(702 775)	2 213 565
B. Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks.		
Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amount:		
Cash on hand and balances with banks	25 887 241	21 931 117
Cash on hand and balances with banks	21 931 117	17 974 662

APPENDIX 3

Annual Financial Statements for the period 1 April 1999 to 31 March 2000

The Chief Executive Officer hereby presents his report and submits the annual financial statements for the period ended 31 March 2000.

■ GENERAL REVIEW

The Truth and Reconciliation Commission was constituted in terms of The Promotion of National Unity and Reconciliation Act 34 of 1995 on 15 December 1995. The TRC was established to investigate the nature, causes and extent of gross violations of human rights during the period 1960 to 1994. To achieve this, Act 34 of 1995 required the establishment of the following committees:

- (a) The Committee on Human Rights Violations (HRV Committee), to investigate gross human rights violations, which, inter alia, afforded victims an opportunity to relate their suffering;
- (b) The Committee on Reparation and Rehabilitation (R&R Committee), which seeks to bring about the granting of reparations to victims, and to rehabilitate and restore their human and civil dignity; and
- (c) The Amnesty Committee (AC) to consider applications for amnesty in respect of acts committed during the period stipulated.

The original deadline for completion of these tasks was July 1997. As the extent of the TRC's work became apparent, it became clear that it would not be able to meet this initial 18 month deadline. Subsequent extensions have been granted, the last of which allows the TRC, through the AC, to complete its work without setting a fixed deadline. Although the bulk of the work has been completed (as reported in the first five volumes of the TRC Report) the three committees still have important outstanding tasks.

Work still to be completed by the three committees:

The AC has finalised 6 377 matters, but still has approximately 736 matters to finalise. Of these 366 are hearable matters, many of which involve people in senior positions from both the liberation movements and former security forces. It is expected that these amnesty applications will in all probability be finalised by the end of July 2000, it is however extremely difficult to accurately assess the time required to complete such hearings. Circumstances beyond the control of the AC often result in postponement of hearings.

The R&R Committee has sent out almost out almost 19 000 Urgent Interim Reparations (UIR) forms. While to date more than half of these have already been forwarded to the President's Fund, the Committee still has to retrieve 3 467 forms and process another 2 602 applications in its possession.

The HRV Committee has completed the substantive part of its work. During 1999, it conducted an extensive audit of all negative findings and is now ready to send out negative finding letters, informing approximately 7 000 deponents that they cannot be declared victims. All three committees have to write the codicil to the first five volumes of the Final Report.

Time required to complete the outstanding work:

The work plan shows that the absolute minimum time to complete the outstanding tasks would be up till December 2000. This would include the preparation and organisation of the intellectual property gathered during the TRC process, prior to handing it over to the Department of Justice and National Archives. It will also include the writing of the codicil and its handover to the President.

While it is important that the TRC does not delay its own closure, it is equally important to deliver a completed product which will not place in jeopardy the work already done or lay a basis for potential legal challenges. Further, all those who have participated in the project or observed its progress recognise that the work of the TRC has assisted in laying the foundations for a culture of human rights in our country. The perceived failure of the TRC to complete its historic task would compromise such a view.

Moreover, all loose ends need to be tied sufficiently so that a government established structure might take over the continuing work with a minimum of disruption. To achieve all of these goals, the TRC considers it necessary to work within the confines of deadlines, which are realistic hence, the objective to complete its work in December 2000.

The results of these activities are clearly reflected in the attached financial statements and may be summarised as follows:

Retained income	R -21 510 408
Capital Expenditure	R 126 739
Retained income at the beginning of the financial year	R 29 255 519

The retained income shows a negative figure of R21 510 408 mainly because of the utilisation of the surplus in the bank.

■ **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

The TRC appeared before the Standing Committee on Public Accounts on 12 April 2000 in connection with the Auditor-General's report for the 1998/99 financial year. After the briefing the Committee requested the TRC to furnish them with more information especially about the non compliance with State Tender Board regulations mentioned in the Auditor-General's reports for the previous two financial years. The additional information was submitted on 19 May 2000.

■ **FINANCIAL STATEMENTS**

The Chief Executive Officer acknowledges his responsibility for the fair presentation in the financial statements of the financial position and results of operations in conformity with generally accepted accounting practice. The Chief Executive Officer has approved the financial statements for the 1999/2000 financial year.

CHIEF EXECUTIVE OFFICER

26 June 2000

TRUTH AND RECONCILIATION COMMISSION

■ **BALANCE SHEET** AS AT 31 MARCH 2000

	<i>Notes</i>	1999-2000 R	1998-1999 R
Capital employed			
Accumulated funds		3 909 374	29 255 519
Employment of capital			
Property, plant and equipment	3	1 891 931	3 754 815
Net current assets		2 017 443	25 500 704
Current assets		7 444 874	29 578 491
Debtors	4	1 667 217	3 691 250
Bank and cash balances	11	5 777 657	25 887 241
Less: Current liabilities		(5 427 431)	(4 077 787)
Creditors	5	(5 237 431)	3 902 787
Provisions	12	190 000	175 000
		3 909 374	29 255 519

Cape Town, 19/09/2000

ADV. M COETZEE*Accounting Officer*

TRUTH AND RECONCILIATION COMMISSION

■ **INCOME STATEMENT** FOR THE YEAR ENDED 31 MARCH 2000

	<i>Notes</i>	1999-2000 R	1998-1999 R
Income			
State and other contributions		14 617 000	54 083 096
Donations		3 872 791	3 324 725
Other income	8	2 487 446	4 937 412
Expenditure			
Salaries	10	21 364 952	25 161 438
Other operating expenditure	9	25 216 388	28 786 877
Discontinued operations	7	10 196	3 995 272
Retained income for the year		(25 614 299)	4 401 646
Retained income at the beginning of the year		29 255 519	24 853 873
Prior year adjustments	13	268 154	-
Retained income at the end of the year		3 909 374	29 255 519

■ NOTES TO THE FINANCIAL STATEMENTS**1. Formation and primary objectives**

- 1.1 The Truth and Reconciliation Commission was established in terms of section 2(1) of the Promotion of National Unity and Reconciliation Act, 1995 (Act No. 34 of 1995). The Commissioners were appointed by the President in terms of section 7(2)(a) of the Act on 15 December 1995.
- 1.2 The objectives of the Commission are to promote national unity and reconciliation in a spirit of understanding which transcends the conflicts and divisions of the past by establishing a complete picture of the causes, nature and extent of gross violations of human rights by conducting investigations and holding hearings; facilitating the granting of amnesty to persons who make full disclosure of all the relevant facts relating to these acts; establishing and making known the fate or whereabouts of victims and recommending reparation measures in respect of them; and compiling a report providing a comprehensive account of the activities and findings of the Commission.

2. Accounting policy

The financial statements have been prepared in accordance with generally accepted accounting practice. The principal accounting policy is as follows:

2.1 *Basis of presentation*

The financial statements are prepared on the historical cost basis.

2.2 *Fixed assets and depreciation*

Fixed assets are stated at cost price less accumulated depreciation. Leasehold improvements are written off over the expected life-span of the Commission. All other assets are depreciated over their useful lives on the straight line method.

2.3 *Income and expenditure*

Income and expenditure is recognised on the accrual basis.

2.4 *Donations*

Donations and interest earned on donations are recognised in full in the year in which the donations are authorised. However, unspent donor funds and interest earned thereon will be refunded to the donor at the end of the project. The refund of donor funds and interest will be accounted for in the year in which the transfer takes place.

NOTES (Continued)

3. Property, plant and equipment

	Computer equipment	Computer software & installation	Furniture & fittings	Office equipment 1999-2000	Motor vehicles	Leasehold improvements	Security equipment	Total
Rate of depreciation:	33.3%	100%	20%	20%	20%	50%	20%	
Period (years)	3	*	5	5	5	2	5	
*Written off in year of purchase	R	R	R	R	R	R	R	
Beginning of year:								
Cost price	2 842 523	1 132 065	1 693 749	2 725 014	2 287 214	227 612	301 439	11 209 616
Accumulated depreciation	(2 440 787)	(1 132 065)	(982 101)	(1 256 825)	(1 277 340)	(205 367)	(160 316)	(7 454 801)
Carrying amount beginning of year	401 736	-	711 648	1 468 189	1 009 874	22 245	141 123	3 754 815
During the year:								
Additions	49 202	21 677	5 043	12 724	2 764	35 329	-	126 739
Disposals	(628)	-	-	(291 330)	(22 533)	-	-	(314 491)
Transfers	-	-	-	-	-	-	-	-
Depreciation	(361 198)	(21 677)	(339 224)	(420 475)	(449 704)	(22 566)	(60 288)	(1 675 132)
Carrying amount end of year	89 112	-	337 467	769 108	540 401	35 008	80 835	1 891 931
Cost price	2 763 695	1 153 742	1 698 792	2 443 601	2 264 337	76 027	301 439	10 701 633
Accumulated depreciation	(2 674 583)	(1 153 742)	(1 321 325)	(1 674 493)	(1 723 936)	(41 019)	(220 604)	(8 809 702)
	89 112	-	377 467	769 108	540 401	35 008	80 835	1 891 931

■ NOTES (Continued)

3. Property, plant and equipment (continued)

	Computer equipment	Computer software & installation	Furniture & fittings	Office equipment 1998-99	Motor vehicles	Leasehold improve- ments	Security equipment	Total
	R	R	R	R	R	R	R	R
Beginning of year:								
Cost price	3 444 665	1 100 959	2 360 762	2 773 242	4 676 358	653 097	349 679	15 358 762
Accumulated depreciation	(1 871 211)	(1 100 959)	(915 924)	(865 421)	(1 729 902)	(565 211)	(117 171)	(7 165 799)
Carrying amount beginning of year	1 573 454	-	1 444 838	1 907 821	2 946 456	87 886	232 508	8 192 963
During the year:								
Additions	13 600	61 296	37 256	211 869	11 493	25 272	2 160	362 946
Disposals	(48 506)	-	-	(45 313)	-	(17 264)	-	(111 083)
Transfers	(181 914)	-	(396 483)	(82 810)	(1 181 533)	-	(30 951)	(1 873 691)
Depreciation	(954 898)	(61 296)	(373 963)	(523 378)	(766 542)	(73 649)	(62 594)	(2 816 320)
Carrying amount end of year	401 736	-	711 648	1 468 189	1 009 874	22 245	141 123	3 754 815
Cost price	2 842 523	1 132 065	1 693 749	2 725 014	2 287 214	227 612	301 439	11 209 616
Accumulated depreciation	(2 440 787)	(1 132 065)	(982 101)	(1 256 825)	(1 277 340)	(205 367)	(160 316)	(7 454 801)
	401 736	-	711 648	1 468 189	1 009 874	22 245	141 123	3 754 815

■ NOTES *(continued)*

	1999-2000	1998-1999
	R	R
4. Debtors		
Income receivable	1 193 575	427 648
Interest receivable	49 466	28 689
Legal Aid Board advances	–	491 958
Prepaid expenses	12 121	146 166
Refundable deposits paid on leased premises	2 192	11 553
Salary advances	10 303	2 016
Value Added Tax (VAT) refund	399 560	2 313 220
	1 667 217	3 691 250
5. Creditors		
Personnel control	2 402 968	1 156 121
Accounts payable	2 240 780	2 496 127
Stannic Fleet Management	–	(4 266)
Diners Club	455 485	254 805
Rennies Travel	138 109	–
WPP budgets	89	–
	5 237 431	3 902 787
6. Contingent liability		
<p>A claim of R12,5 million was lodged against the Commission by a former employee for damages allegedly caused by statements made against him in the media. Although the outcome of this legal action is not yet known, the Commission's national legal officer is of the opinion that this claim will not succeed.</p>		
7. Discontinued operations		
Assets transferred to Department of Justice	–	1 873 691
VAT on transfers to Department of Justice	–	133 145
Gratuities paid to Commissioners	–	1 891 164
Winding-down costs	10 196	97 272
	10 196	3 995 272

The operation of the TRC presently only consists of the Amnesty Committee. The satellite offices are still operational. The staff complement decreased from 156 at beginning of the year to 142 at the end of the year.

■ NOTES *(continued)*

	1999-2000	1998-1999
	R	R
8. Other income		
Interest	2 339 991	4 882 131
Commission	–	55 281
Profit on assets written off	147 455	–
	2 487 446	4 937 412
9. Other operating expenditure		
Audit fees	190 000	252 450
Bank costs	51 588	48 103
CMC levies	51 654	64 671
Communication	1 076 865	1 570 504
Conferences and workshops	31 621	34 640
Consulting fees	37 705	436 036
Consumables	20 349	31 959
Diginet lines	16 152	26 886
Depreciation	1 675 132	2 816 320
DST Programme	–	862 481
Entertainment, teas and refreshments	104 806	155 704
Exhumation costs	15 351	146 848
Hearing costs	1 553 177	1 119 498
Insurance	603 078	802 819
Interest paid	12 379	10 400
Legal costs	342 721	717 002
Legal aid	588 716	523 927
Loss on assets written off	–	75 847
Maintenance:	481 289	534 723
Computers	136 239	145 390
Equipment	38 939	59 444
Premises	62 518	67 819
Motor vehicles	243 593	262 070
Postage	22 282	62 930
Printing	154 632	937 819
Publications and subscriptions	23 055	57 900
Refund of donation to Netherlands Embassy	–	45 424
Refund of interest Danish Embassy	28 217	55 983
Refund of interest Flemish Embassy	194 211	–
Refund of interest to SIDA	6 454	–
Refund of interest to European Union	1 128 970	–
Refund of interest and funds to Norwegian Embassy	51 272	–
Relocation costs	15 726	146 101
Rentals:	2 074 142	2 728 881
Equipment	875	2 771
Offices	2 073 267	2 726 110

■ NOTES *(continued)*

	1999-2000	1998-1999
	R	R
9. Other operating expenditure (continued)		
Security	25 143	-
Staff recruitment	-	29 786
Stationery:	88 506	187 020
Telephones:	1 739 575	2 066 435
Telkom and faxes	811 396	1 151 807
Cellular	928 179	914 628
Transport:	769 592	855 864
Freight	192 694	311 586
Motor vehicles expenses	467 930	466 150
Use of private motor vehicles	108 968	78 128
Transcription costs	302 220	324 660
Translation costs	4 868 863	4 813 924
Travel and subsistence	6 738 301	6 089 514
Witness protection program	132 644	153 818
	25 216 388	28 786 877
10. Included in salaries is an amount of R1 062 200, being the under-collection of PAYE for the tax years 1997 to 1999 and R113 201 for the 2000 tax year. Also included in salaries is a provision of R622 304 for penalties and interest on the under-collection of tax for the 1997, 1998 and 1999 tax years.		
11. Bank and cash balances		
Current account	4 217 902	20 040 377
TRC donation account	1 552 503	5 842 769
Plusplan account	1 620	-
Petty cash	5 632	4 095
	5 777 657	25 887 241
12. Provisions		
Audit fees	190 000	175 000
13. Prior year adjustments		
Audit fees – overprovision	53 240	-
Duplicate payment – Department of Justice	(209 222)	-
Legal Costs	(62 063)	-
Danish Embassy – interest refunded	(40 057)	-
Transcription costs	(10 159)	-
Rental – offices	(300)	-
Hearing costs	(29 278)	-
Travel	(135 762)	-
Printing – Final Report – never charged	701 755	-
	268 154	-

■ CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	1999-2000 R	1998-1999 R
Cash flows from operating activities			
Cash utilised in operations	A	(22 772 402)	(702 775)
Interest received		2 339 991	4 882 131
Interest paid			(10 400)
Net cash inflow/(outflow) from operations		(20 444 790)	4 168 956
Net cash inflow/(outflow) from investing activities			
Additions to fixed assets		(126 739)	(362 946)
Disposal of fixed assets		461 945	150 114
Net increase/(decrease) in cash and cash equivalents		(20 109 584)	3 956 124
Cash and cash equivalents at the beginning of the year	B	25 887 241	21 931 117
Cash and cash equivalents at the end of the year	B	5 777 657	25 887 241

■ NOTES TO THE CASH FLOW STATEMENT

	Notes	1999-2000 R	1998-1999 R
A. Reconciliation of net cash surplus generated from operations			
Cash utilised in operations	A	(22 772 402)	(702 775)
Net surplus		(25 614 299)	4 401 646
Depreciation		1 675 132	2 816 320
Interest received		(2 339 991)	(4 882 131)
Interest expended		12 379	10 400
Transfer of assets		-	1 873 691
Profit of disposal of fixed assets		(147 454)	(39 031)
Prior year adjustments		268 154	-
Operating profit/(loss) before working capital changes		(26 146 079)	4 180 895
Working capital changes		3 373 677	(4 883 670)
Decrease/(increase) in accounts receivable		2 024 033	2 382 099
Increase/(decrease) in accounts payable		1 349 644	(2 501 571)
Cash utilised in operations		(22 772 402)	(702 775)
B. Cash and cash equivalents			
Cash and cash equivalents consist of cash on hand balances with banks.			
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amount:			
Cash on hand and balances with banks		5 777 657	25 887 241

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