THE RIGHT 2 KNOW CAMPAIGN
ANNUAL FINANCIAL STATEMENTS
FOR THE 6 MONTHS ENDED 31 DECEMBER 2012

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
DIRECTORS	Alison Tilley Carina Conradie Dale T Mckinley Hennie Van Vuuren Jane Duncan Meshack Mbangula Murray Hunter Nomvula Sikakane Nosipho Mngoma Thembani Onceya Vinayak Bhardwaj
REGISTERED OFFICE	107 Community House 41 Salt River Road Salt River 7925
POSTAL ADDRESS	107 Community House 41 Salt River Road Salt River 7925

INDEX

The reports and statements set out below comprise the annual financial statements presented to the members:

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial 6 months and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the entity specific accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on pages 4 to 5.

The annual financial statements set out on pages 6 to 14 which have been prepared on the going concern basis, were approved by the .

H. VAN VUUREN
Director

05/03/2014
Date

M HUNTER
Director

05/03/2014
Date

RSM Audit • Tax • Advisory

RSM Betty & Dickson (Cape Town)
Chartered Accountants (SA)
15 Greenwich Grove, Station Road,
Rondebosch, Cape Town, 7700
PO Box 578, Rondebosch, 7701
Docex 7, Rondebosch
T: +27 21 686 7890 F: +27 21 686 7888
E: mail@ct.rsmbd.co.za
www.rsmbettyanddickson.co.za

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE RIGHT 2 KNOW CAMPAIGN

We have audited the annual financial statements of The Right 2 Know Campaign, as set out on pages 7 to 14, which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the 6 months then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Director's Responsibility for the Annual Financial Statements

The entity's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the entity specific accounting policies. and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with similar organisations, it is not feasible for the entity to institute accounting controls over income prior to intial entry in the accounting records. Accordingly it was impracticable to extend our examination for donations and grants received beyond amounts actually recorded.

Qualified Opinion

In our opinion, except for the effect on the annual financial statements of the matter referred to in the preceding paragraph, the annual financial statements have been prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements as of 31 December 2012.

Emphasis of matter

Without qualifying our opinion, we emphasise that the basis of accounting and presentation and disclosures contained in the financial statements are not intended to, and do not, comply with all the requirements of the International Financial Reporting Standards for Small and Medium-sized Entities.

Other reports

As part of our audit of the annual financial statements for the 6 months ended 31 December 2012, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. This report is the responsibility of the respective preparer. Having read this report we have not identified any material inconsistencies between this report and the audited annual financial statements. However, we have not audited this report and accordingly do not express an opinion thereon.

RSM Betty & Dickson (C.T.)

RSM Betty & Dickson (Cape Town)
Registered Auditors

CA(SA) RA
Partner

5 MARCH 2014
Date
Cape Town

DIRECTORS' REPORT

The directors submit their report for the 6 months ended 31 December 2012.

1. REVIEW OF ACTIVITIES

Main business and operations

The entity operates principally in South Africa.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. GOING CONCERN

We draw attention to the fact that at 31 December 2012, the entity had accumulated losses of R30 719 and that the entity's total liabilities exceed its assets by R30 719.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the entity and that the subordination agreement referred to in note of these financial statements will remain in force for so long as it takes to restore the solvency of the company.

3. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial 6 months that has a material impact on the annual financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

Figures in Rand	Note(s)	31 December 2012
ASSETS		
Current Assets		
Receivables	3	109 362
Cash and cash equivalents	4	98 007
		207 369
Total Assets		**207 369**
FUNDS AND LIABILITIES		
FUNDS		
Accumulated deficit		(30 719)
LIABILITIES		
Current Liabilities		
Loan from ISS	2	89 269
Payables	6	51 548
Deferred income	5	97 271
		238 088
Total Funds and Liabilities		**207 369**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	6 months ended 31 December 2012
REVENUE		
Grant income	7	514 042
Donations		57 864
	7	**571 906**
OPERATING EXPENSES		
Accounting fees		(31 920)
Auditors' remuneration		(17 784)
Bank charges		(4 692)
Communication/media		(41 278)
Consulting fees		(157 350)
Cordination costs		(55 845)
Delivery expenses		(7 117)
Other expenses		(3 347)
Popular education		(109 604)
Printing and stationery		(117)
Rental & hosting		(50 003)
Repairs and maintenance		(747)
Subscriptions		(2 275)
Telephone and fax		(5 099)
Transport and freight		(115 447)
		(602 625)
Deficit for the 6 months		**(30 719)**

STATEMENT OF CHANGES IN FUNDS

Figures in Rand	Accumulated deficit
Deficit for the 6 months	(30 719)
Balance at 31 December 2012	(30 719)

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	6 months ended 31 December 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts		559 815
Cash paid to suppliers and employees		(551 077)
Cash generated from operations	8	8 738
Net cash from operating activities		**8 738**
CASH FLOWS FROM FINANCING ACTIVITIES		
Movement in loans		89 269
Net cash from financing activities		**89 269**
Total cash movement for the 6 months		**98 007**
Total cash at end of the 6 months	4	**98 007**

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the entity specific accounting policies. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include receivables, loans and payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.2 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.3 Provisions and contingencies

Provisions are recognised when:
- the company has an obligation at the reporting date as a result of a past event;
- it is probable that the company will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.4 Funding Received

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of value added tax.

Grant income

Grant income from specific funders is governed by individual agreements between each funder and the entity. Income contractually designated for particular project activities and events is recognised to the extent that related expenditure has been incurred.

Other income

Interest is recognised, in profit or loss, using the effective interest rate method.

ACCOUNTING POLICIES

1.5 Borrowing costs

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2012

2. LOAN FROM ISS

ISS loan	(89 269)
The loan is interest free, unsecured and is expected to be repaid within the next financial year	

3. RECEIVABLES

Funding receivable	102 802
Employee costs in advance	3 560
Deposits	3 000
	109 362

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	5 000
Bank balances	93 007
	98 007

5. DEFERRED INCOME

Details	Amount received	Income	Deferred income
MAGI (Transfer from ISS)	137 474	(40 203)	97 271

6. PAYABLES

Payables	51 548

7. FUNDING RECEIVED

Grant income	514 042
Donations	57 864
	571 906

The amount included in grants received is made up as follows:	
Open Society Foundation of SA	101 522
Heinrich Boll Stiftung SA	102 752
Claude Leon Foundation	147 015
KAS Media Project	51 770
Friedrich Ebert Stiftung	70 780
Transfer from ISS (The Right 2 Know Campaign was previously administered by ISS)	40 203
	514 042

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2012

8. CASH GENERATED FROM OPERATIONS

Loss before taxation	(30 719)
Changes in working capital:	
Receivables	(109 362)
Payables	51 548
Deferred income	97 271
	8 738