CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

DOUGLAS
& VELCICH
CHARTERED ACCOUNTANTS (SA)

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

INDEX TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The annual financial statements have been compiled by :

L. Ntambw

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

DIRECTORS' RESPONSIBILITES AND APPROVAL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with its accounting policies. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium - sized Entities 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 controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets 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 company and 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 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 directors have reviewed the company's cash flow forecast for the year to 31st December 2014 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 2 and 3.

The financial statements set out on pages 4 to 18, which have been prepared on the going concern basis, were approved by the board of directors on the 10th April 2014 and were signed on its behalf by:

DOUGLAS
& VELCICH
CHARTERED ACCOUNTANTS (SA)

P O BOX 32707
BRAAMFONTEIN
2017
SOUTH AFRICA

TEL (011) 403 3835
FAX (011) 339 7762

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

Report on the financial statements

We have audited the accompanying financial statements of Corruption Watch (RF) NPC, which comprise the directors' report, statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 4 to 18.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium - sized Entities, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error ; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Unqualified Opinion

In our opinion, these financial statements fairly present, in all material respects, the financial position of Corruption Watch (RF) NPC as at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium - sized Entities, and in the manner required by the Companies Act of South Africa.

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

Johannesburg
10 April 2014

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

Your board of directors presents its report, together with the audited financial statements of the company for the financial year ended 31 December 2013.

NATURE OF ACTIVITIES

The company is a new civil society initiative which contributes to reducing corruption in South Africa. Corruption Watch focuses on the abuse of public resources (and we also deal with abuse of union resources and charitable resources which are donated by the public).

Corruption Watch contributes to reducing corruption in two ways:

- Firstly, by encouraging people to **resist** corruption
- Secondly, by helping to make the policy, social and political environment in South Africa less conducive to corruption.

The core business of Corruption Watch (CW) was described in the pre-launch period as 'gathering, analysis and dissemination of information that will enable citizens and their organised representatives, as well as public sector agencies and institutions, to combat corruption'.

RESULTS

The results for the year are fully disclosed in the attached financial statements.

POST FINANCIAL POSITION EVENTS

No material fact or circumstance has occurred between the financial position date and the date of the audit report.

EQUIPMENT

During the year under review, the company acquired equipment costing R163,188 (2012:R49,489).

DIRECTORS

The following directors were appointed at the date of incorporation :-

ZW Vavi	A Hassim	
M Msimang	ME Metcalfe	
CME O'Regan	AL Brown	- appointed 18 September 2013
V Dubula - Majola	E Mashinini	- appointed 18 September 2013
DH Lewis	V Pilcoli	- appointed 18 September 2013
Archbishop WN Ndungane	RM Godsell	- resigned 13 November 2013

OFFICER

DH Lewis

AUDITORS

Douglas and Velcich were retained as auditors for the year under review.

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 R	2012 R
ASSETS		**7 587 684**	**5 851 891**
Non current assets		**463 080**	**633 807**
Equipment	3	463 080	633 807
Current assets		**7 124 604**	**5 218 084**
Accounts receivable	4	202 420	233 897
Cash and cash equivalents	5	6 922 184	4 984 187
Total assets		**7 587 684**	**5 851 891**
RESERVES AND LIABILITIES		**7 587 684**	**5 851 891**
Reserves		**961 352**	**1 056 916**
Accumulated surplus		498 272	423 109
Equipment fund		463 080	633 807
Current liabilities		**6 626 332**	**4 794 975**
Accounts payable	6	472 359	160 568
Deferred income	7	5 836 267	4 465 295
Provision for leave pay	8	317 706	169 112
Total reserves and liabilities		**7 587 684**	**5 851 891**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	12 Months to 31/12/2013 R	9 Months to 31/12/2012 R
INCOME		**12 921 914**	**8 258 984**
Grants and donations	9	12 244 185	7 768 863
Donations in kind		520 080	390 060
Interest received	11	157 649	100 061
EXPENDITURE		**12 692 357**	**7 839 244**
Assets expensed directly		11 152	4 585
Audit fees		25 928	24 935
Bank charges		13 336	8 227
Communication costs		292 395	77 516
Conference and seminars		-	860
Consulting fees		18 421	41 257
Director's emoluments	12	916 263	652 622
Equipment lease and maintenance		2 597	3 358
Insurance		28 215	14 896
Interest and penalties		-	20 833
Office supplies		35 397	11 423
Printing and stationery		44 979	27 929
Programme costs		4 565 815	2 404 018
Recruitment costs		68 900	-
Rent, parking, water and electricity		585 454	354 227
Repairs and maintenance		7 345	7 195
Salaries, wages and contributions		5 930 109	4 129 038
Staff training and welfare		12 637	-
Travel and accommodation		133 414	56 325
SURPLUS FOR THE YEAR/PERIOD		**229 557**	**419 740**

(NPO REGISTRATION NO. 042-050-NPO)

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2013

	Accumulated Surplus R	Equipment Fund R	Total R
Balance at 31 March 2012	**52 158**	**807 832**	**859 990**
Surplus for the period to 31 December 2012	419 740	-	419 740
Transfer to equipment fund	(48 789)	48 789	-
Acquisition during the period	(49 489)	49 489	-
Proceeds from disposal of assets	700	(700)	-
Loss on disposal of assets	-	(1 543)	(1 543)
Depreciation during the period	-	(221 271)	(221 271)
Balance at 31 December 2012	**423 109**	**633 807**	**1 056 916**
Surplus for the year	229 557	-	229 557
Transfer to equipment fund	(154 394)	154 394	-
Acquisition during the year	(163 188)	163 188	-
Proceeds from disposal of assets	8 794	(8 794)	-
Profit on replacement of stolen asset	-	4 251	4 251
Depreciation during the year	-	(329 372)	(329 372)
Balance at 31 December 2013	**498 272**	**463 080**	**961 352**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	12 Months to 31/12/2013 R	9 Months to 31/12/2012 R
Cash flows from operating activities			
Cash receipts from funders and donors		14 135 237	9 604 726
Cash paid to programmes, suppliers and employees		(12 200 495)	(7 898 306)
Cash generated from operations	**14**	**1 934 742**	**1 706 420**
Interest received	**11**	157 649	100 061
Net cash inflow from operating activities		**2 092 391**	**1 806 481**
Cash flows (utilised in) investing activities		**(154 394)**	**(48 789)**
Acquisition of equipment, at cost	**3**	(163 188)	(49 489)
Proceeds from disposal		8 794	700
Net increase in cash and cash equivalents		**1 937 997**	**1 757 692**
Cash and cash equivalents at beginning of year/period		**4 984 187**	**3 226 495**
Cash and cash equivalents at end of year/period	**5**	**6 922 184**	**4 984 187**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

ACCOUNTING POLICIES

1. The financial statements have been prepared in accordance with International Financial Reporting Standards for Small, Medium - sized Entities and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for financial instruments, and incorporate the following principal accounting policies set out below.

1.1 SIGNIFICANT JUDGEMENTS

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

1.2 EQUIPMENT

The cost of an item of tangible assets is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Any capital costs of less than R7,000 are expensed directly to profit or loss, as per the guidelines provided by SARS.

Tangible assets are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible assets other than freehold land, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Useful life
Computer equipment	3 years
Office equipment	5 years
Office furniture	6 years

The depreciation charge for each period is recognised in equipment fund, unless it is included in the carrying amount of another asset.

ACCOUNTING POLICIES (Continued)

1.2 EQUIPMENT (Continued)

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

This is deviation from IAS 16, which requires that all asset purchases are capitalised and depreciated, through profit or loss. This deviation has been resolved by raising an equipment fund as discussed in note 1.5.

1.3 FINANCIAL INSTRUMENTS

Measurement

Financial instruments carried on the statement of financial position include 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 :-

Accounts receivable

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

Cash and cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk in change in value.

Cash and cash equivalents are measured at fair value.

Accounts payable

Accounts payable which are short - term obligation, are stated at their nominal value.

1.4 IMPAIRMENT

The carrying amounts of assets are reviewed at financial position date to determine whether there is any indication of impairment. If there is such indication, the assets are written down to the estimated recoverable amounts. The recoverable amount is the higher of the net selling price and the value in use.

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

ACCOUNTING POLICIES (Continued)

1.5 EQUIPMENT FUND

In order that operating reserves reflect assets available to the operations of the organisation, an equipment fund is maintained to separate out the funding of such assets.

The mechanism whereby this fund is maintained at a value equal to the carrying value of such assets in the statement of financial position is that an amount equal to the cost of assets acquired be charged against operating income each year and credited to the fund.

Depreciation, and profits and losses on disposal are adjusted annually against the fund.

1.6 PROVISIONS

Provisions are recognised when the company 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.

1.7 LEASES AS LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value on the the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payment is the effective interest rate.

Any initial direct costs are added to the amount recognised as an asset.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expenses in the period they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

1.8 REVENUE RECOGNITION

Income from grants is brought to account in the financial period to which it relates.

All other income is brought to account as and when received.

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

ACCOUNTING POLICIES (Continued)

1.9 INTEREST INCOME

Interest is brought to account as and when received.

1.10 EXPENDITURE

Expenditure is accounted for on the accrual basis of accounting.

1.11 PROJECT ACCOUNTING AND EXPENSE ALLOCATION

In terms of its contractual obligations to donors, the company's policy is to allocate project expenses that are clearly identifiable as such, directly against project funds. Indirect and shared costs are apportioned on the basis of management estimates.

Accrued and deferred grant income is based on the balance of the project fund after taking into account the direct, indirect and shared costs as described above. The unexpended surplus of the project fund is deferred to the following year or the deficit is accrued in the year under review.

1.12 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.

The expected cost of compensated absences is recognised as an expense as the employee renders service that increases their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

2. MEMBERS' GUARANTEE

In terms of the Memorandum of Association, members guarantee to each contribute R2,00 in the event of the company being wound up. At the statement of financial position date , the guarantee value amounted to R14.

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

3. EQUIPMENT

	Computer equipment R	Office equipment R	Office furniture R	Total R
31 December 2013				
Net book value - 1 January 2013	**552 301**	**3 833**	**77 673**	**633 807**
At cost	813 397	4 990	110 688	929 075
Accumulated depreciation	(261 096)	(1 157)	(33 015)	(295 268)
Additions during the year	163 188	-	-	163 188
Disposal during the year	**(3 007)**	**-**	**-**	**(3 007)**
At cost	(7 899)	-	-	(7 899)
Accumulated depreciation	4 892	-	-	4 892
Depreciation for the year	(301 572)	(1 664)	(27 672)	(330 908)
Net book value - 31 December 2013	**410 910**	**2 169**	**50 001**	**463 080**
At cost	968 686	4 990	110 688	1 084 364
Accumulated depreciation	(557 776)	(2 821)	(60 687)	(621 284)
31 December 2012				
Net book value - 1 April 2012	**717 518**	**3 076**	**87 238**	**807 832**
At cost	779 457	3 191	99 487	882 135
Accumulated depreciation	(61 939)	(115)	(12 249)	(74 303)
Additions during the period	33 940	1 799	13 750	49 489
Depreciation for the period	(199 157)	(1 042)	(21 072)	(221 271)
Disposals during the period	**-**	**-**	**(2 243)**	**(2 243)**
At cost	-	-	(2 549)	(2 549)
Accumulated depreciation	-	-	306	306
Net book value - 31 December 2012	**552 301**	**3 833**	**77 673**	**633 807**
At cost	813 397	4 990	110 688	929 075
Accumulated depreciation	(261 096)	(1 157)	(33 015)	(295 268)

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

	2013 R	2012 R
4. ACCOUNTS RECEIVABLE		
Lease and telephone deposits	42 118	37 343
Prepaid expenses	16 170	-
Staff study loans	4 217	-
VAT receivable	139 915	196 554
	202 420	**233 897**
5. CASH AND CASH EQUIVALENTS		
Current account	589 474	2 238 896
Marketlink account	5 906 579	2 743 687
Money market account	424 168	-
Petty cash	1 963	1 604
	6 922 184	**4 984 187**
6. ACCOUNTS PAYABLE		
Accruals	472 359	151 385
Sundry creditors	-	9 183
	472 359	**160 568**
7. DEFERRED INCOME		
The Atlantic Philanthropies	1 418 087	1 042 554
The Bertha foundation	1 095 186	1 500 000
Claude Leon Foundation	203 878	140 092
Hivos - MAGI	523 648	509 054
Millennium Trust - 2	1 139 417	650 000
Oppenheimer Memorial Trust	522 973	-
Open Society Foundation	557 723	262 681
Raith Foundation	375 355	360 914
	5 836 267	**4 465 295**
8. PROVISION FOR LEAVE PAY		
Balance at beginning of the period	169 112	69 302
Additions during the period	384 799	190 529
(Utilised) during the period	(236 205)	(90 719)
	317 706	**169 112**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

9. GRANTS AND DONATIONS

	12 Months to 31/12/2013 R	9 Months to 31/12/2012 R
Andrew Roberts Memorial	200 000	49 609
Received	200 000	-
Deferred to 2012	-	49 609
Atlantic Philanthropies	1 124 467	457 446
Received	1 500 000	1 500 000
Deferred to 2013	1 042 554	(1 042 554)
Deferred to 2014	(1 418 087)	-
Aveng	333 000	333 000
Received	333 000	-
Deferred to 2012	-	333 000
The Bertha Foundation	1 654 814	-
Received	1 250 000	1 500 000
Deferred to 2013	1 500 000	(1 500 000)
Deferred to 2014	(1 095 186)	-
The Bertha Foundation	-	1 580 000
Business Leadership South Africa	-	30 854
Deferred to 2012	-	30 854
Claude Leon Foundation	1 186 214	497 229
Received	1 250 000	550 000
Deferred to 2012	-	87 321
Deferred to 2013	140 092	(140 092)
Deferred to 2014	(203 878)	-
The Ford Foundation	1 236 937	-
Received	1 236 937	-
Heinrich Boell Stiftung	160 000	-
Received	160 000	-
Hivos - MAGI	585 067	-
Received	599 661	509 054
Deferred to 2013	509 054	(509 054)
Deferred to 2014	(523 648)	-
Millennium Trust - 1	-	59 547
Deferred to 2012	-	59 547
Millennium Trust - 2	1 010 583	850 000
Received	1 500 000	750 000
Deferred to 2012	-	750 000
Deferred to 2013	650 000	(650 000)
Deferred to 2014	(1 139 417)	-
Balance carried forward	**7 491 082**	**3 857 685**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (Continued)

	12 Months to 31/12/2013 R	9 Months to 31/12/2012 R
9. GRANTS AND DONATIONS (Continued)		
Balance brought forward	**7 491 082**	**3 857 685**
Oppenheimer Memorial Trust	57 027	42 597
Received	580 000	-
Deferred to 2012	-	42 597
Deferred to 2014	(522 973)	-
Open Society Foundation	1 454 958	1 487 319
Received	1 750 000	1 312 500
Deferred to 2012	-	437 500
Deferred to 2013	262 681	(262 681)
Deferred to 2014	(557 723)	-
Raith Foundation	1 485 559	1 139 086
Received	1 500 000	1 500 000
Deferred to 2013	360 914	(360 914)
Deferred to 2014	(375 355)	-
Raith Foundation	-	23 454
Deferred to 2012	-	23 454
Sigrid Rausing Trust	1 384 990	-
Received	1 384 990	-
Sigrid Rausing Trust	-	1 180 438
Deferred to 2012	-	1 180 438
South African Breweries	350 000	-
Received	350 000	-
Stephen Malherbe, Newtown King and Siobhan Cleary	-	25 172
Deferred to 2012	-	25 172
Others	20 569	13 112
	12 244 185	**7 768 863**

10. COMMITMENTS

The company has the following commitments in respect of agreements over office premises and photocopier as follows:

Payable within one year	189 869	425 326
Payable thereafter	-	189 869
	189 869	**615 195**

11. NET INTEREST RECEIVED

Interest earned - marketlink account	**157 649**	**100 061**

CORRUPTION WATCH (RF) NPC
REGISTRATION NO.K2011/118829/08

(NPO REGISTRATION NO. 042-050-NPO)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2013 (Continued)

	12 Months to 31/12/2013 R	9 Months to 31/12/2012 R
12. DIRECTOR'S EMOLUMENTS		
Executive director - DH Lewis	**916 263**	**652 622**

13. TAXATION

No provision has been made for taxation as the company has qualified for exemption from income tax as a public benefit organisation under section 10(1)(cN) as read with section 30 of the Income Tax Act.

14. CASH GENERATED FROM OPERATIONS

	12 Months to 31/12/2013 R	9 Months to 31/12/2012 R
Surplus for the year/period	229 557	419 740
Adjustment:		
Interest received	(157 649)	(100 061)
Increase in deferred income	1 370 972	1 445 803
Increase in provision for leavepay	148 594	99 810
Operating surplus before working capital changes	**1 591 474**	**1 865 292**
Changes in working capital	**343 268**	**(158 872)**
Decrease in accounts receivable	31 477	22 388
Increase/(decrease) in accounts payable	311 791	(181 260)
Cash generated from operations	**1 934 742**	**1 706 420**

15. RELATED PARTIES

Director's emoluments **refer note 12**

16. GOING CONCERN

The existence of the company is dependent on the continued support of its donors, by way of grants. Should the grants be withdrawn it is highly unlikely that the company will be able to continue as a going concern. Donors have agreed to continue supporting the company in 2014.

17. FINANCIAL RISK

17.1 Currency risk

The company is exposed to currency risk to the extent that some grants are received by the company in foreign currency. Management regularly reviews the relevant rates of exchange and amends budgets if necessary.

17.2 Interest rate risk

The company has minimal exposure to interest rate risk as surplus funds are invested in local interest - bearing accounts.

17.3 Credit risk

The company's credit risk is attributable to accounts receivable, accrued income and liquid funds. The credit risk on liquid funds is limited because the counter party is a bank with credit rating assigned by international credit-rating agencies. The company has no significant credit risk arising from its receivables or accrued income in the current year.

17.4 Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained to cover anticipated expenditure.